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WATER AND ENERGY

VOLUME 1
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### Boxes, tables and figures
Water and energy are inextricably linked. Water is essential for the production, distribution and use of energy. Energy is crucial for the extraction and delivery of safe drinking water – and for the very safety of water itself. People everywhere – but especially the most vulnerable and marginalized – face great risks when access to either is limited or compromised.

This World Water Development Report provides detailed analysis of these connections and their implications for the world’s pursuit of sustainable development and the Millennium Development Goals. It is the fruit of collaboration by UN-Water, the UN inter-agency coordination mechanism dedicated to all freshwater-related issues.

The Report addresses a wide range of key issues, including agriculture, cities, industry, infrastructure and the environment. Its message is clear: the ‘water–energy nexus’ is about substantially more than hydropower and biofuels. Water and energy can drive economic growth and improvements in human health. They are enablers for poverty reduction, job creation, women’s empowerment and human well-being in general. This was also a central lesson that emerged from last year’s observance of the International Year for Water Cooperation. It is also a fundamental premise of my ‘Sustainable Energy for All’ initiative.

In order to provide modern, affordable and environmentally sound energy and drinking water services for all, we need a sustainable approach to the management of both freshwater and energy resources. This calls, in turn, for far greater coordination. The two key mechanisms of the United Nations system – UN-Water and UN-Energy – will play a critical role in this regard. These issues will also be fundamental elements in shaping the post-2015 development agenda.

The World Water Development Report is aimed at policy-makers and the water and energy communities, including scientists across the world. My hope is that it will point the way towards a more integrated approach to these challenges and towards water and energy solutions that work for all the world’s people.

Ban Ki-moon

Secretary-General of the United Nations
The World Water Development Report 2014 shines light on the interdependence between the management of water and energy. Thanks to its clarity and relevance, this important document reminds us that the linkages between freshwater and energy are crucial to human well-being and sustainable socio-economic development. Water is essential throughout the production, transportation and use of energy, which, in turn, affects the water cycle. This interdependence calls for an improved cooperation between all actors, given the importance of freshwater and energy for sustainable development.

Ensuring access to freshwater and energy for all, especially the poor and most disadvantaged, is our key challenge. The fundamental right to freshwater is not exercised by some 3.5 billion women and men – who often also lack access to reliable energy, especially electricity. As the 2013 International Year for Water Cooperation showed, there is enough water on earth – we need to manage it better together.

This challenge is becoming steeper as demands increase, especially in emerging economies, where agriculture, industry and urban development are evolving quickly. We must find sustainable ways to ensure access to quality freshwater and energy for all.

Rising pressure on resources calls for new production and consumption models. We need to better understand the connections between water and energy, because choices made in one area impact – positively or negatively – the other. Every production model in energy has consequences on the quantity and quality of available water. In the past, these resources were managed by competition. In the future, we must choose cooperation, and make choices to craft just compromises for all. Public policies have a key role to play in mobilizing and in directing change, and, for this, they must draw on reliable data and strong scientific research.

This Report depicts the complexity of challenges and provides directions to guide decision-makers in tackling them. Clearly, technical solutions will not be enough to address stakes that are, above all, political, economic and educational. Education for sustainable development is essential to help new generations create win–win equations for water and energy. Private sector engagement and government support to research and development are crucial for the development of renewable – and less water intensive – energy sources.

Looking to the future, this Report shows the unequal weight of each sector. Energy has always been seen as ‘big business’ compared to water, benefitting from strategic investment, while water remains still too often perceived as a ‘gift of nature’, as a public good and human right. Currently, 90% of energy production relies on intensive and non-reusable water models that are not sustainable. Sustainability calls on us to bridge human rights and dignity with economic and social growth, and this must start with getting right the interdependence between energy and water.
As the intellectual agency of the United Nations, UNESCO is bringing its mandate and experience to help reach this goal. From now on a comprehensive report will be published every year, on a specific theme, and I wish to highlight the scale of work mobilized to produce this one. It draws on the joint efforts of all members of UN-Water and our partners. I am convinced that this Report will make a unique contribution to shaping a new post-2015 sustainable development agenda, and I call on all readers, professional and general, to share its messages as widely as possible.

Irina Bokova

Irina Bokova
FOREWORD

by Michel Jarraud
Chair of UN-Water and Secretary-General of WMO

In my capacity as Chair of UN-Water, I am pleased to present this year’s edition of the World Water Development Report (WWDR).

As the reference publication of the UN system on the status of the freshwater resource, the WWDR is a praiseworthy example of the UN system working and delivering as one. Indeed, the Report is a flagship publication of UN-Water – the UN inter-agency coordination mechanism on all freshwater-related issues, including sanitation – and the 31 UN-Water Members and 36 other international Partners have worked together to deliver the coherent and integrated response of the UN system to freshwater-related issues and emerging challenges.

The WWDR 2014 is the fifth report in the series and it marks a milestone as the first annual edition. The WWDR was originally a triennial report which provided an overall picture of the state, uses and management of the world’s freshwater resources. In late 2011 and early 2012, an extensive survey was carried out to assess the expectations on the Report and the needs of the global community. The consensus from the immense number of responses from all parts of the world indicated that an annual, factual and more concise publication with a specific thematic focus was needed. The structure of the Report was therefore redesigned and it is UN-Water’s hope that the findings and conclusions will serve to provide a broad public – from politicians and decision-makers to practitioners – with the latest information and examples of how water-related challenges are addressed around the world.

In addition to this, starting from this year 2014, the theme of the WWDR and that of World Water Day will be harmonized to provide a deeper focus and an enhanced attention. This harmony, by design, will help putting the important World Water Day topics high on the international agenda. In this year’s edition, the WWDR highlights that water and energy are highly interdependent and lie at the core of sustainable development. It is clear that choices made in one domain can have significant impacts on the other – with both positive and negative repercussions. Increasing demand for freshwater and energy over the coming decades will greatly amplify existing challenges worldwide. This calls for innovative and pragmatic policies prioritizing more efficient and cost effective management of water and energy services in an integrated way.

I highly commend all my UN-Water colleagues who took active part in development of this Report. I would also like to express my profound appreciation to the UN Educational, Scientific and Cultural Organization (UNESCO) for hosting the World Water Assessment Programme (WWAP), which has been coordinating the production and publication of the UN-Water WWDR. Finally, I would also like to thank the Government of Italy for its commitment and support to WWAP.

I sincerely believe that the findings and messages presented in this Report will inform the discussions around the Post-2015 Development Agenda and help the international community commit to poverty eradication and sustainable development beyond 2015.

Michel Jarraud
As the first of a new series of theme-oriented reports to be released on an annual basis, this fifth edition of the United Nations World Water Development Report (WWDR) marks a pivotal new direction for the WWDR series, the World Water Assessment Programme (WWAP), and the many partner agencies that work with us in the production of the flagship report of UN-Water.

In preparing this report, we quickly became quite amazed at just how deep the interlinkages between water and energy actually run. The interconnections do not boil down to a handful of issues such as hydropower, biofuels and pumping groundwater for irrigation. The fact is that nearly all forms of energy production require a certain amount of water – in some cases a very large amount – which has critical implications for water resources, and by extension to other users and the environment. Furthermore, the most pressing water-related challenges often have a significant energy component, which can be a positive or a negative determining factor in the provision of water-related services to people and industry.

The complex and sometimes veiled interlinkages between water and energy are presented using the most recent data and information available at the time the Report was prepared. This proved to be a challenge on its own given that there is no official repository for statistics pertaining to both water and energy. For example, it proved quite difficult to obtain and compare data on several water and energy metrics over a single recent year, and the time horizons for water and energy demand projections, or infrastructure financing requirements, do not always overlap. Nonetheless, the Report's Data and Indicators Annex offers a wealth of complementary quantitative information that we hope will contribute to meeting the need for a compendium of water and energy related data. The Report also provides decision-makers and practitioners with specific examples of measures, actions and approaches to addressing interconnected challenges, ranging from issues of sustainable resource management financing to the efficiency of service delivery. Many of these are further detailed in the case studies found in Volume 2.

Like its predecessors, the WWDR 2014 is primarily targeted at national level decision-makers and water resources managers. However, it is hoped the Report will also be well received by academics, the energy community and the broader developmental community as well by those who, as described throughout the Report, play key roles in determining our common water future in an era when the need to produce ever increasing amounts of energy, and in particular clean energy, has become one of the greatest challenges to humankind.

This latest edition of the WWDR is the result of a concerted effort between WWAP, the five lead agencies (FAO, UNEP, UN-Habitat, UNIDO and the World Bank) responsible for the thematic part of the report, and the five United Nations regional commissions (UNECA, UNECE, UNECLAC, UNESCAP, UNESCWA) who provided a geographically focused perspective of the water and energy challenge.

The Report has also benefited to a great extent from the inputs and contributions of several UN-Water Members and Partners, as well as from dozens of scientists, professionals and non-governmental organizations who provided a variety of excellent material. The members of WWAP's Technical Advisory Committee were particularly active and generous in providing their guidance and knowledge to the production team. In line with WWAP's publications strategy, the Report is gender-mainstreamed thanks to the support of UN Women, WWAP's Advisory Group on Gender, and the UNESCO Division for Gender Equality. It has to be noted, however, that an in depth analysis of gender, water and energy interconnections will be possible only when gender-disaggregated data are widely available.
Water and energy meet at a crossroads where views and opinions can vary. We have endeavoured to present a fact-based, balanced and neutral report that presents the current state of knowledge and covers the most recent developments pertaining to water and energy. As we move towards a new paradigm of sustainable development, whether via a new set of development goals, the decoupling of water and economic growth or the ‘greening’ of economies, it is our sincere hope that all parties to the current and forthcoming debates concerning water and energy will find this factual report to be a useful, informative and credible tool which can serve as the knowledge base for open, transparent discussions pertaining to our common future.

On behalf of the staff of WWAP, we extend our deepest appreciation to the UN-Water lead agencies and regional commissions, to the Members and Partners of UN-Water, and to the authors, writers, editors and other contributors in producing this unique and authoritative report.

A particular thanks goes to Ms Irina Bokova, Director-General of UNESCO, for her critical support for WWAP and the production of the WWDR.

We deeply appreciate the Italian Government for funding the Programme and the Umbria Region for hosting the WWAP Secretariat in the prestigious premises of Villa La Colombella in Perugia. Their contribution has been instrumental for the production of the Report.

We extend our most sincere gratitude to all our colleagues of the WWAP Secretariat, whose names are listed in the Acknowledgements. Without them the Report would not have been completed. A special thanks goes to Alice Franek for her outstanding contributions in editing, design and coordination of the publication process, and to Simone Grego for his excellent work in coordinating the overall process.

Last but not least, special recognition goes to Olcay Ünver, who was WWAP Coordinator from 2007 to September 2013, and who played a key role in the design and development of this report up to his very last day in the office.
This report would not have been possible without the essential and varied contribution of many organizations, institutions and individuals around the world.

The generous financial support from the Italian Government as well as the premises made available by the Umbria Region has been instrumental for the preparation of this report.

We would like to express our gratitude to the Director-General of UNESCO, Ms Irina Bokova, for her crucial support for the United Nations World Water Assessment Programme (WWAP).

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Finally, we wish to thank Olcay Ünver, WWAP Coordinator until September 2013.

All those whom we have inadvertently omitted from the list please accept our sincere apologies along with our thanks.
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EXECUTIVE SUMMARY
Water and energy are tightly interlinked and highly interdependent. Choices made in one domain have direct and indirect consequences on the other, positive or negative. The form of energy production being pursued determines the amount of water required to produce that energy. At the same time, the availability and allocation of freshwater resources determine how much (or how little) water can be secured for energy production. Decisions made for water use and management and for energy production can have significant, multifaceted and broad-reaching impacts on each other – and these impacts often carry a mix of both positive and negative repercussions.

The challenge today: Extending services to the unserved
Freshwater and energy are crucial for human well-being and sustainable socio-economic development. Their essential roles in achieving progress under every category of development goal are now widely recognized. Major regional and global crises – of climate, poverty, hunger, health and finance – that threaten the livelihood of many, especially the three billion people living on less than US$2.50 per day, are interconnected through water and energy.

Worldwide, an estimated 768 million people remain without access to an improved source of water – although by some estimates, the number of people whose right to water is not satisfied could be as high as 3.5 billion – and 2.5 billion remain without access to improved sanitation. More than 1.3 billion people still lack access to electricity, and roughly 2.6 billion use solid fuels (mainly biomass) for cooking. The fact that these figures are often representative of the same people is evidenced by a close association between respiratory diseases caused by indoor air pollution, and diarrhoea and related waterborne diseases caused by a lack of safe drinking water and sanitation.

The challenge to come: Meeting growing demands
Demands for freshwater and energy will continue to increase significantly over the coming decades to meet the needs of growing populations and economies, changing lifestyles and evolving consumption patterns, greatly amplifying existing pressures on limited natural resources and on ecosystems. The resulting challenges will be most acute in countries undergoing accelerated transformation and rapid economic growth, or those in which a large segment of the population lacks access to modern services.

Global water demand (in terms of water withdrawals) is projected to increase by some 55% by 2050, mainly because of growing demands from manufacturing (400%), thermal electricity generation (140%) and domestic use (130%). As a result, freshwater availability will be increasingly strained over this time period, and more than 40% of the global population is projected to be living in areas of severe water stress through 2050. There is clear evidence that groundwater supplies are diminishing, with an estimated 20% of the world's aquifers being over-exploited, some critically so. Deterioration of wetlands worldwide is reducing the capacity of ecosystems to purify water.

Global energy demand is expected to grow by more than one-third over the period to 2035, with China, India and the Middle Eastern countries accounting for about 60% of the increase. Electricity demand is expected to grow by approximately 70% by 2035. This growth will be almost entirely in non-Organisation for Economic Co-operation and Development countries, with India and China accounting for more than half that growth.

What rising energy demand means for water
Energy comes in different forms and can be produced in several ways, each having a distinct requirement for – and impact on – water resources. Thus, as a country’s or region’s energy mix evolves, from fossil fuels to renewables for example, so too do the implications on water and its supporting ecosystem services evolve. Approximately 90% of global power generation is water intensive.
The International Energy Agency estimated global water withdrawals for energy production in 2010 at 583 billion m$^3$ (representing some 15% of the world’s total withdrawals), of which 66 billion m$^3$ was consumed. By 2035, withdrawals could increase by 20% and consumption by 85%, driven via a shift towards higher efficiency power plants with more advanced cooling systems (that reduce water withdrawals but increase consumption) and increased production of biofuel. Local and regional impacts of biofuels could be substantial, as their production is among the most water intensive types of fuel production.

Despite ongoing progress in the development of renewables, the overall evolution of the global energy mix appears to remain on a relatively fixed path: that of continued reliance on fossil fuels. Oil and gas extraction yields high volumes of ‘produced water’, which comes out of the well along with the oil and gas. Produced water is usually very difficult and expensive to treat. Unconventional oil and gas production is generally more water intensive than conventional oil and gas production.

Thermal power plants are responsible for roughly 80% of global electricity production, and as a sector they are a large user of water. Power plant cooling is responsible for 43% of total freshwater withdrawals in Europe (more than 50% in several countries), nearly 50% in the United States of America, and more than 10% of the national water cap in China.

**Similarities, differences and divergences:**

**Beyond the water–energy nexus**

The decisions that determine how water resources are used (or abused) stem from broader policy circles concerned primarily with industrial and economic development, public health, investment and financing, food security and, most relevant to this report, energy security. The challenge for twenty-first century governance is to embrace the multiple aspects, roles and benefits of water, and to place water at the heart of decision-making in all water-dependent sectors, including energy.

Energy is big business compared to water and can command a great many more resources of all kinds. Market forces have tended to play a much more important role in energy sector development compared with the management of water resources and the improvement of water-related services (water supply and sanitation), which have historically been more of a public health and welfare issue. Water resources have been considered by some to be a *public good* (though the economic definition of ‘public good’ does not apply to freshwater) – with access to safe water and sanitation recognized as a *human right*. Neither concept ordinarily applies to energy. Reflecting this economic, commercial and social disparity, energy attracts greater political attention than water in most countries.

Growing demand for limited water supplies places increasing pressure on water intensive energy producers to seek alternative approaches, especially in areas where energy is competing with other major water users (agriculture, manufacturing, drinking water and sanitation services for cities) and where water uses may be restricted to maintain healthy ecosystems. Uncertainties related to the growth and evolution of global energy production, for example via growth in unconventional sources of gas and oil or in biofuels, can pose significant risks to water resources and other users. Policies that benefit one domain can translate to increased risks and detrimental effects in another, but they can also generate co-benefits. The need to manage trade-offs and maximize co-benefits across multiple sectors has become an urgent and a critical issue.
Water planners and decision-makers involved in assessing the water needs of the energy sector require a suitable level of knowledge about electricity generation and fuel extraction technologies and their potential impact on the resource. Energy planners and investors must take into account the complexities of the hydrological cycle and competing water uses when assessing plans and investments.

**Thematic challenges and responses**

There are many opportunities for the joint development and management of water and energy infrastructure and technologies that maximize co-benefits and minimize negative trade-offs. An array of opportunities exists to co-produce energy and water services and to exploit the benefits of synergies, such as combined power and desalination plants, combined heat and power plants, using alternative water sources for thermal power plant cooling, and even energy recovery from sewerage water. Besides the pursuit of new technical solutions, new political and economic frameworks need to be designed to promote cooperation and integrated planning among sectors. Innovative approaches to spending efficiency, such as cross-sector cooperation to leverage possible synergies, integrated planning for water and energy to decrease costs and ensure sustainability, assessing trade-offs at the national level, demand-side interventions, and decentralized services, can help overcome the infrastructure financing gap which, although significant for energy, is far greater for water.

In the context of thermal power generation, there is an increasing potential for serious conflict between power, other water users and environmental considerations. Trade-offs can sometimes be reduced by technological advances, but these advances may carry trade-offs of their own. From a water perspective, solar photovoltaic and wind are clearly the most sustainable sources for power generation. However, in most cases, the intermittent service provided by solar photovoltaic and wind needs to be compensated for by other sources of power which, with the exception of geothermal, do require water to maintain load balances. Support for the development of renewable energy, which remains far below that for fossil fuels, will need to increase dramatically before it makes a significant change in the global energy mix, and by association, in water demand. Use of geothermal energy for power generation is underdeveloped and its potential is greatly underappreciated. It is climate independent, produces minimal or near-zero greenhouse gas emissions, does not consume water, and its availability is infinite at human time scales.

Agriculture is currently the largest user of water at the global level, accounting for some 70% of total withdrawals. The food production and supply chain accounts for about one-third of total global energy consumption. The demand for agricultural feedstocks for biofuels is the largest source of new demand for agricultural production in decades,
Applying energy efficiency measures at the farm and at industry seeks both water and energy efficiency though the two are not always compatible, and though a programme of water and energy efficiency can diverge from industry’s primary focus: to secure water and energy at the lowest prices. Individually and together water and energy efficiency involve varied trade-offs, which frequently involve short-term cost increases against long-term savings, the balance between water and energy use, and a compromise with other factors such as labour, transportation, raw material costs and market location. Large companies and multinationals, particularly in the food and beverage sector, have been engaged for some time in improving water and energy efficiencies. Such companies see the value of efficiencies in both monetary and societal terms. Small and medium-sized enterprises (with 20 or fewer employees) comprise more than 70% of enterprises in most economies, and although as a group they have the potential for making a significant impact on water and energy efficiencies, they have fewer resources and are commonly in need of equity capital to do so.

The availability of adequate quantities of water, of sufficient quality, depends on healthy ecosystems and can be considered an ecosystem service. The maintenance of environmental flows enables this and other ecosystem services that are fundamental to sustainable economic growth and human well-being. Ecosystem services are being compromised worldwide, and energy production is one of the drivers of this process. Natural or green infrastructure can complement, augment or replace the services provided by traditional engineered infrastructure, creating additional benefits in terms of cost-effectiveness, risk management and sustainable development overall. The economic value of ecosystems for downstream water users is formally recognized and monetized in payments for environmental services schemes, in which downstream users provide farmers with payments or green water credits for good management practices that support and regulate ecosystem services, thereby conserving water and preserving its availability and quality.

Regional priorities
The expansion of hydropower as a key source of renewable energy is a critical issue across nearly all of the world’s regions due to concerns of growing conflicts between various interests over limited water resources. In Europe and North America, water scarcity, hydrological variability and the impacts of climate change on water availability and energy production are increasingly recognized as critical – and related – issues. Targets set to increase the share of renewable energies have led to renewed interest in developing pumped storage while part of the region – notably Central Asia and South-Eastern Europe – are still developing new hydropower capacity, not always compatibly with other water uses. Uncertainties persist over the potential risks to water quality, human health and long-term environmental sustainability from the development of unconventional sources of gas (‘fracking’) and oil (‘tar sands’), both of which require large quantities of water.
With its demand for energy increasing exponentially, the Asia-Pacific region faces major supply challenges. Coal, the most prevalent energy product within the region, will continue to be the main source of energy, despite serious concerns about water quality degradation as an effect of coal mining and the water quantity required for cooling thermal power plants. The potential for Asia to develop into a significant market for and exporter of biofuels is being increasingly recognized, and there is a hope that it will provide new employment opportunities in several developing nations.

In the Arab region, the low to middle income countries are struggling to meet growing demands for water and energy services. Limited understanding of the interdependencies affecting the management of water and energy resources has stymied coordination between water and energy policy-makers, and limited coordination between the water, energy, electricity and agriculture sectors has led to conflicting policies and development objectives. Solar-driven desalination and energy recovery from wastewater are two promising technologies particularly well suited to the region.

In Latin America and the Caribbean, there is an increasing interest in biofuels and in how more water efficient (and more energy intensive) irrigation methods and electricity subsidies to farmers impact on aquifer sustainability. The vast majority of water utilities in the region are struggling to attain self-financing and, as energy is often the greatest component (30–40%) of operational costs, increasing energy costs have direct implications for service affordability and for sector financing.

The majority of the rural population in sub-Saharan Africa relies on traditional energy supplies, mainly unprocessed biomass, the burning of which causes significant pollution and health concerns. It is the only region in the world where the absolute number of people without access to electricity is increasing. As Africa has not yet tapped in to its rich potential for hydropower development to a substantial degree, it has the opportunity of learning from the positive as well as the negative aspects of hydropower implementation practices that other nations have undergone.

Enabling environments
Recognition of the interconnectedness between water and energy has led some observers to call for a greater level of integration of the two domains. Although this may be possible and beneficial under certain circumstances, an increased level of collaboration and coordination would create favourable outcomes in nearly all situations. Effective collaboration does not necessarily require that responsibilities for water and energy are combined into the same institutional portfolio, nor does doing so assure coherent cooperation.

Water and energy practitioners need to engage with and fully understand one another. Both domains have been traditionally expected to focus on a narrow mandate in meeting their own aims and fulfilling their own targeted responsibilities. There is often little or no incentive to initiate and pursue coordination or integration of policies across sectoral institutions. Policy-makers, planners and practitioners in water and energy need to take steps to identify and overcome the barriers that exist between their domains.

The most common responses to the dilemmas, risks and opportunities presented in this fifth edition of the United Nations World Water Development Report are related to improving the efficiency and sustainability with which water and energy are used and finding win–win options that create savings of both, which can become mutually reinforcing (creating synergy). But not every situation offers such opportunities. There are situations in which competition for resources can arise or there is genuine conflict between water and energy aims, meaning some degree of trade-off will be necessary. Dealing with trade-offs may require and benefit from negotiation, especially where international issues are involved. Where competition between different resource domains is likely to increase, the requirement to make deliberate trade-offs arises and these trade-offs will need to be managed and contained, preferably through collaboration and in a coordinated manner. To do this, better (and sometimes new) data are required.

The incentives to increase efficiency facing the two domains are asymmetrical: energy users have little or no incentive to conserve water due to zero or low prices, but water users normally do pay for energy, even though prices may be subsidized. Water and energy prices are strongly affected by political decisions and subsidies that support major sectors such as agriculture and industry, and these subsidies often distort the true economic relationship between water and energy. Particularly for water, price is rarely a true reflection of cost – it is often even less than the cost of supply.
A coherent policy – which is to say an adequate public response to the interconnectedness of the water, energy and related domains – requires a hierarchy of actions. These include:

- Developing coherent national policies affecting the different domains
- Creating legal and institutional frameworks to promote this coherence
- Ensuring reliable data and statistics to make and monitor decisions
- Encouraging awareness through education, training and public information media
- Supporting innovation and research into technological development
- Ensuring availability of finance
- Allowing markets and businesses to develop

Together these actions make up the *enabling environment* necessary to bring about the changes needed for the sustainable and mutually compatible development of water and energy. The international community can bring actors together and catalyse support for national, subnational and local governments as well as utility providers, who have a major role in how the water–energy nexus plays out at the national and local levels.

The different political economies of water and energy should be recognized, as these affect the scope, speed and direction of change in each domain. While energy generally carries great political clout, water most often does not. Partly as a result, there is a marked difference in the pace of change in the domains; a pace which is driven also by the evolution of markets and technologies. Unless those responsible for water step up their own governance reform efforts, the pressures emanating from developments in the energy sphere will become increasingly restrictive and make the tasks facing water planners, and the objective of a secure water future, much more difficult to achieve. And failures in water can lead directly to failures in energy and other sectors critical for development.
INTRODUCTION
Water and energy are closely interconnected and highly interdependent. Choices made and actions taken in one domain can greatly affect the other, positively or negatively. Trade-offs need to be managed to limit negative impacts and foster opportunities for synergy. Water and energy have crucial impacts on poverty alleviation both directly, as a number of the Millennium Development Goals (MDGs) depend on major improvements in access to water, sanitation, power and energy sources, and indirectly, as water and energy can be binding constraints on economic growth – the ultimate hope for widespread poverty reduction.

In view of the post-2015 Sustainable Development Goals, likely to include increased access to water and energy services, this fifth edition of the United Nations World Water Development Report seeks to inform decision-makers (inside and outside the water and energy domains), stakeholders and practitioners about the interlinkages, potential synergies and trade-offs, and to highlight the need for appropriate responses and regulatory frameworks that account for both water and energy priorities. The Report provides a comprehensive overview of major and emerging trends from around the world, with examples of how some of the trend-related challenges have been addressed, their implications for policy-makers, and further actions that can be taken by stakeholders and the international community.

Part 1 of the Report, 'Status, trends and challenges', explores current and future challenges of sustainable development in the context of ever-increasing demands for water and energy. Chapter 1 describes many of the complex interlinkages between the water and energy domains from varied perspectives, highlighting their interdependencies and differences, as well as their relationships to other developmental sectors. Chapter 2 focuses on water, examining current and future demand and the pressures that drive demand as well as the energy requirements for the provision of water services. The chapter also provides a snapshot of the state of water resources using the latest information available. Chapter 3 examines sources of energy, both renewable and non-renewable, and existing means of power generation in terms of their current and future contribution to the global energy mix and their impact on water. Chapter 4 focuses on data and knowledge issues directly related to the water–energy nexus, highlighting the need to generate and harmonize data concerning the supply and use of water and energy production.

In the future, growing demands on water resources resulting from population growth, economic development and urban expansion will create additional pressure on water intensive energy production. Climate change will add to the pressure. Droughts, heatwaves and local water scarcities of the past decade have interrupted electricity generation, with serious economic consequences. At the same time, limitations on energy availability have constrained the delivery of water services. Growing demand for finite water resources is also leading to increased competition between the energy sector and other water-using sectors of the economy, principally agriculture and industry. A very important aspect of the burgeoning global demand for water services is the resulting pressure on water resources and the degradation of freshwater ecosystems.

Part 2, the 'Thematic focus', narrows the examination of water and energy into five specific themes. Chapter 5 looks into the economic aspects of water and energy infrastructure in developed and developing countries, highlighting some opportunities for synergies in infrastructure development, operation and maintenance. The challenges and response options faced by food and agriculture, including biofuels, in relation to water and energy are presented in Chapter 6. Chapter 7 focuses on the particular difficulties facing the large and rapidly expanding cities in developing countries. Chapter 8 describes the role of industry as both a user of water and energy but also a potential leader in the development of innovative approaches to efficiency. Part 2 concludes with Chapter 9, which argues that ecosystems are the foundation of the water–energy nexus and that an ecosystem approach is vital for green growth.

'Regional aspects' of water and energy are provided in Part 3. Issues of concern for Europe and North America, from expanding hydropower and its related conflicts to the development of unconventional sources of oil and gas, are presented in Chapter 10. Chapter 11 describes how increasing reliance on coal and the development of biofuel in the Asia-Pacific region will impact on water resources and other users. The need to increase knowledge and raise awareness for policy coherence and the potential of certain water supply and treatment technologies in the Arab region are addressed in Chapter 12. Chapter 13 examines hydropower development and the energy requirements for water services in Latin America and the Caribbean. Hydropower is also the focus of Chapter 14, which highlights the urgent need to increase access to
electricity in sub-Saharan Africa where the undeveloped potential for hydropower is the greatest of any region.

Where competition between different resource domains is likely to increase, the requirement to make deliberate trade-offs arises, and these trade-offs will need to be managed and contained, preferably through collaboration and in a coordinated manner. There are, fortunately, already good examples of policies and actions that benefit both water and energy domains, such as win–win projects and optimized trade-offs.

Part 4, 'Responses: Fostering synergies and managing trade-offs,' describes how policy-makers, decision-makers and practitioners can respond to the dilemmas, risks and opportunities presented in the first three parts of the Report. Chapter 15 proposes a hierarchy of actions that together make up the enabling environment necessary to bring about the changes needed for the sustainable and mutually compatible development of water and energy. These actions include overcoming the barriers that exist between the two domains, using economic instruments appropriately, and optimizing the role of the United Nations system and the international community. The Report concludes with Chapter 16, in which the interplay of water and energy, and the scope for fostering synergies and managing trade-offs between them, is illustrated in the contexts of agriculture, industry, cities, ecosystems and power generation.
PART 1

STATUS, TRENDS AND CHALLENGES

CHAPTERS
1. The water–energy nexus
2. Water: Demands, energy requirements and availability
3. Energy’s thirst for water
4. Data challenges and opportunities
Freshwater and energy are critical to human well-being and sustainable socio-economic development. Although initially overlooked by many, their essential roles in achieving progress towards every one of the MDGs are now widely recognized. Globally, demand for freshwater and energy will continue to increase significantly over the coming decades to meet the needs of increasing populations, growing economies, changing lifestyles and evolving consumption patterns. This will greatly amplify pressures on limited natural resources and ecosystems. The challenge will be most acute in countries undergoing accelerated transformation and rapid economic growth, especially where water resources are scarce or where water-related infrastructure and services are inadequate (Figure 1.1), and where modern energy services remain largely underdeveloped (Figure 1.2).

Water and energy are strongly interlinked: water is required to produce, transport and use all forms of energy to some degree; and energy is required for the extraction, treatment and distribution of water, as well as its collection and treatment after use. Water and energy...
are also highly interdependent, with choices made in one domain having direct and indirect consequences on the other. The quantities of water required to produce energy are determined by the forms of energy production pursued; the allocation, use and management of freshwater resources can determine how much (or little) water is available for energy production. The choices made for water and energy can also impact other sectors, and vice versa. These interlinkages and interdependencies, along with their negative and positive externalities, lie at the heart of what has become known as the ‘water–energy nexus’.

Major regional and global crises – climate, food, energy, financial – threatening the livelihood of many, including the three billion people living on less than US$2.50 per day, are interlinked through the water–energy nexus. The case of access to basic water and energy services illustrates this point. The same people who lack access to improved water and sanitation are also likely to lack access to electricity and rely on solid fuel for cooking (Table 1.1). Women and children represent a disproportional fraction of the unserved and underserved.

Many people in the world still lack access to basic water and energy services. A 2013 report by WHO and UNICEF concluded that 768 million remain without access to an improved source of water and 2.5 billion people remain without access to improved sanitation, respectively (WHO/UNICEF, 2013a). The High-level Panel on the Post-2015 Development Agenda has indicated that 2 billion people do not have access to safe water (UN, 2013). The number of people whose right to water is not satisfied is even greater, probably in the order of 3.5 billion (Onda et al., 2012).

More than 1.3 billion people worldwide still lack access to electricity, with more than 95% of them located in sub-Saharan Africa and developing Asia, and roughly 2.6 billion people rely on the traditional use of biomass for cooking (IEA, 2012a). Another estimated 400 million people rely on coal for cooking and heating purposes, which, like wood, charcoal, peat or other biomass, causes air pollution and has serious potential health implications when used in traditional stoves. It is no coincidence that the figures concerning access to water services and energy align so well; it is often the same people who are missing out on both. The close association between respiratory diseases caused by indoor air pollution and waterborne diseases like diarrhoea caused by lack of safe drinking water and sanitation is a point of evidence for this.

Decisions made for water use and management and the production of energy can have significant, multifaceted

and broad-reaching impacts on each other – often with a mix of both positive and negative repercussions. For example, drought exacerbates energy crises; energy price volatility contributes to food crises; the expansion of irrigation networks increases water and energy demand; and access to unreasonably inexpensive supplies of energy can lead to the depletion of water resources, further intensifying the impacts of droughts. Although integrated water resources management (IWRM) and the water–energy nexus have led to a growing recognition of such interdependencies, the complex direct and indirect interactions of this relationship are rarely fully appreciated, let alone incorporated into decision-making processes.

### Table 1.1 Population using solid fuel for cooking and without access to electricity, improved water and sanitation in a selection of countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (2011)$^a$ (million)</th>
<th>Population without access to electricity (2011)$^b$ (%)</th>
<th>Population without access to improved water (2011)$^a$ (%)</th>
<th>Population without access to improved sanitation (2011)$^a$ (%)</th>
<th>Population using solid fuel for cooking$^c$ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Africa</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>17.0</td>
<td>86.9</td>
<td>20.0</td>
<td>82.0</td>
<td>93.0 (2007)</td>
</tr>
<tr>
<td>Cameroon</td>
<td>20.0</td>
<td>46.3</td>
<td>25.6</td>
<td>52.2</td>
<td>75.0 (2005)</td>
</tr>
<tr>
<td>DR Congo</td>
<td>67.8</td>
<td>91.0</td>
<td>53.8</td>
<td>69.3</td>
<td>95.0 (2007)</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>84.7</td>
<td>76.7</td>
<td>51.0</td>
<td>79.3</td>
<td>95.0 (2005)</td>
</tr>
<tr>
<td>Ghana</td>
<td>25.0</td>
<td>28.0</td>
<td>13.7</td>
<td>86.5</td>
<td>83.0 (2008)</td>
</tr>
<tr>
<td>Kenya</td>
<td>41.6</td>
<td>80.8</td>
<td>39.1</td>
<td>70.6</td>
<td>82.0 (2006)</td>
</tr>
<tr>
<td>Malawi</td>
<td>15.4</td>
<td>93.0</td>
<td>16.3</td>
<td>47.1</td>
<td>99.0 (2005)</td>
</tr>
<tr>
<td>Nigeria</td>
<td>162.5</td>
<td>52.0</td>
<td>38.9</td>
<td>69.4</td>
<td>75.0 (2007)</td>
</tr>
<tr>
<td>Senegal</td>
<td>12.8</td>
<td>43.5</td>
<td>26.6</td>
<td>48.6</td>
<td>56.0 (2006)</td>
</tr>
<tr>
<td>South Africa</td>
<td>50.5</td>
<td>15.3</td>
<td>8.5</td>
<td>26.0</td>
<td>17.0 (2007)</td>
</tr>
<tr>
<td>Togo</td>
<td>6.2</td>
<td>73.5</td>
<td>41.0</td>
<td>88.6</td>
<td>98.0 (2005)</td>
</tr>
<tr>
<td>Uganda</td>
<td>34.5</td>
<td>85.4</td>
<td>25.2</td>
<td>65.0</td>
<td>96.0 (2006)</td>
</tr>
<tr>
<td><strong>Asia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bangladesh</td>
<td>150.5</td>
<td>40.4</td>
<td>16.8</td>
<td>45.3</td>
<td>91.0 (2007)</td>
</tr>
<tr>
<td>Cambodia</td>
<td>14.3</td>
<td>66.0</td>
<td>32.9</td>
<td>66.9</td>
<td>92.0 (2005)</td>
</tr>
<tr>
<td>China</td>
<td>1,347.6</td>
<td>0.2</td>
<td>8.3</td>
<td>34.9</td>
<td>55.0 (2000)</td>
</tr>
<tr>
<td>India</td>
<td>1,241.5</td>
<td>24.7</td>
<td>8.4</td>
<td>64.9</td>
<td>57.0 (2006)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>242.3</td>
<td>27.1</td>
<td>15.7</td>
<td>41.3</td>
<td>55.0 (2007)</td>
</tr>
<tr>
<td>Mongolia</td>
<td>2.8</td>
<td>11.8</td>
<td>14.7</td>
<td>47.0</td>
<td>77.0 (2005)</td>
</tr>
<tr>
<td>Myanmar</td>
<td>48.3</td>
<td>51.2</td>
<td>15.9</td>
<td>22.7</td>
<td>95.0 (2004)</td>
</tr>
<tr>
<td>Nepal</td>
<td>30.5</td>
<td>23.7</td>
<td>12.4</td>
<td>64.6</td>
<td>83.0 (2006)</td>
</tr>
<tr>
<td>Pakistan</td>
<td>176.7</td>
<td>31.4</td>
<td>8.6</td>
<td>52.6</td>
<td>67.0 (2006)</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>21.0</td>
<td>14.6</td>
<td>7.4</td>
<td>8.9</td>
<td>78.0 (2006)</td>
</tr>
<tr>
<td>Thailand</td>
<td>69.5</td>
<td>1.0</td>
<td>4.2</td>
<td>6.6</td>
<td>34.0 (2005)</td>
</tr>
</tbody>
</table>
The decisions that determine how water resources are used (or abused) are not made by water managers alone, but stem from broader policy circles primarily concerned with food security, industrial and economic development, public health, financing and energy security, among others (WWAP, 2009, 2012). The challenge for twenty-first century governance is to take account of the multiple aspects and roles of water, and of the benefits derived from it, and to place water at the heart of decision-making. This report addresses this challenge by probing into the complex inter-relationships between water, energy and development, and by describing strategies and approaches to managing trade-offs and maximizing the benefits for the betterment of all.

1.1 Interlocking risks and uncertainties
Risks to water resources lead to energy risks. Growing demand for limited water supplies increases pressure on water intensive energy producers to seek alternative approaches, especially in areas where energy is competing with other major water users (e.g. agriculture, manufacturing, drinking water and sanitation services for cities) and where water uses may be restricted to maintain healthy ecosystems. As growing water demand leads to increasing scarcity, it also leads to increasing urgency to manage trade-offs and maximize co-benefits across multiple sectors, including energy.

The power sector’s dependence on water introduces vulnerabilities. Periods of water scarcity and elevated temperatures can force power plants to turn off or diminish their performance. As climate change induces

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**TABLE 1.1 Population using solid fuel for cooking and without access to electricity, improved water and sanitation in a selection of countries (continued from p. 14)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Electricity (national)</th>
<th>Water (national)</th>
<th>Sanitation (national)</th>
<th>Cooking fuel (national)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Latin America</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>40.8</td>
<td>2.8</td>
<td>0.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Bolivia</td>
<td>10.1</td>
<td>13.2</td>
<td>12.0</td>
<td>53.7</td>
</tr>
<tr>
<td>Brazil</td>
<td>196.7</td>
<td>0.7</td>
<td>2.8</td>
<td>19.2</td>
</tr>
<tr>
<td>Colombia</td>
<td>46.9</td>
<td>2.6</td>
<td>7.1</td>
<td>21.9</td>
</tr>
<tr>
<td>Guatemala</td>
<td>14.8</td>
<td>18.1</td>
<td>6.2</td>
<td>19.8</td>
</tr>
<tr>
<td>Haiti</td>
<td>10.1</td>
<td>72.1</td>
<td>36.0</td>
<td>73.9</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>5.9</td>
<td>22.3</td>
<td>15.0</td>
<td>47.9</td>
</tr>
<tr>
<td>Peru</td>
<td>29.4</td>
<td>10.3</td>
<td>14.7</td>
<td>28.4</td>
</tr>
<tr>
<td><strong>Middle East</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iraq</td>
<td>32.7</td>
<td>2.0</td>
<td>15.1</td>
<td>16.1</td>
</tr>
<tr>
<td>Syrian Arab Republic</td>
<td>20.8</td>
<td>7.2</td>
<td>10.1</td>
<td>4.8</td>
</tr>
<tr>
<td>Yemen</td>
<td>24.8</td>
<td>60.1</td>
<td>45.2</td>
<td>47.0</td>
</tr>
</tbody>
</table>
| **World**        | **6 950.7**            | **18.1**         | **11.1**              | **35.9**               | **38.0 (2012)**       **

*Note: *The reference year for the data is given in parentheses. **Excludes coal.
The response to growing energy demand can come at the expense of water resources sustainability, as in the case of shale oil and gas, biofuel and dewatering of aquifers to exploit coal seam gas, and vice versa desalination, expansion of pumped irrigation systems, or long-distance pumping of water for cities can increase energy needs. In terms of climate change mitigation, leading technologies for carbon capture and storage (CCS) are highly water intensive (Hussey et al., 2013).

Sustainability of water resources is becoming a business risk for some energy managers. Multinationals and other large corporations are increasingly interested in their water footprints and how to minimize them. In its 2013 Global Risks Report, the World Economic Forum ranks the ‘water supply crisis’ as the fourth crisis in likelihood and second in impact, a marked elevation from its rank in previous reports (WEF, 2013).

Equally, uncertainties related to the growth and evolution of global energy production can introduce new and significant risks to water resources and other users. The emergence of unconventional sources of gas and oil (e.g. shale gas and bitumen), recurrent concerns about nuclear power generation, and policy shifts towards renewable forms of energy will have significant implications on the state, demand for, use and management of freshwater resources (Box 1.1).

In terms of electrical power generation, the intermittency of the two most rapidly expanding renewable sources, wind and solar PV, poses a challenge: How will secure load balances on larger grids be maintained against the backdrop of ever-increasing demand? Two options are currently more feasible and cost-effective than others: hydropower and thermal power (natural gas in particular). Both options have their advantages and disadvantages from water resource and climate change perspectives, as well as broader social, environmental and economic implications. Hydropower is arguably the best option in terms of energy storage and quick dispatch power required for counterbalancing the intermittency of other renewables. Yet, in several places, including the European Union, where nuclear power has come under disfavour and potential exists for expanding hydropower, tendencies are that these gaps are increasingly filled by (imported) natural gas. This trend is counterbalancing aspirations for energy security and self-sufficiency as well as climate change mitigation.

Sub-Saharan Africa, which has not yet tapped in to its rich potential for hydropower development to a substantial degree (Chapter 14) is in a prime position to benefit from the current drive towards renewable energy. Exploring the African potential of developing and enhancing regional power-pools, integrating grid networks, and enabling benefit sharing and trading to meet water and energy security and regional economic growth could also bring the add-on effects of increased peace and political and economic stability.

1 For example, in the Water Footprint Network.
1.2 Differences and divergences

In the simplest of terms, water is a renewable natural resource that is unique, irreplaceable and difficult (as well as costly) to move, beyond the pull of gravity. Energy, in contrast, comes in different forms, which can be derived from a variety of sources. It is typically a market-driven commodity and can be distributed across vast distances (e.g., via transmission lines for electricity or pipelines for fuels).

When considering water’s role in the nexus, it is necessary to distinguish between water resources and water services, and how both are managed. Water resources management is about managing the water cycle, in which water flows as a natural resource through the environment (i.e., rivers, lakes, estuaries and other water bodies, soils and aquifers), in terms of quantity and quality. Water services management is about developing and managing infrastructure to capture, treat as necessary, transport and deliver water to the end user, and to capture the waste streams via reticulation for treatment and safe onwards discharge or reuse. Whereas energy is required mainly for the provision of water services, water resources are required in the production of energy.

Unlike water, energy can come in different forms and can be produced in several ways, each having a distinct requirement for – and impact on – water resources. Thus, as a country’s or region’s energy mix evolves, say from fossil fuels to renewables, so do the implications for water and its supporting ecosystem services.

In general, regulation and legislation regarding energy focuses on production and distribution, whereas for water the focus is mainly on extraction, use and discharge (Section 8.4.5). In most countries, approaches to energy decision-making and regulation are top-down, with strong national/federal or provincial/state governmental policies and central administration of many standards and funding. Water management is usually a combination of bottom-up and top-down approaches. National/federal water management can be responsible for managing large infrastructure such as major reservoir projects that serve as storage for irrigation and power generation as well as ensuring water allotments across international/interjurisdictional boundaries. However, the uses of that water are often determined locally, and local water management can be very powerful (for more on the governance of water, see WWAP, 2003 [ch. 15], 2006 [ch. 2], 2009 [chs. 14, 15], 2012 [pt. 2]). In most countries, local farmers make day-to-day decisions about well pumping for irrigation and national/federal control over water uses is weak, while centrally managed power systems are used for distributing electricity.

In addition to a mismatch in the regulatory and policy systems of water and energy, there is also a mismatch in the size of infrastructure. With the exception of large dams, reservoirs and inter-basin water diversion schemes, water infrastructure systems are usually at the community or city scale (for piped drinking water and sewerage systems). Energy infrastructure, including pipeline networks and the power grid, usually spans the entire nation or several nations. This mismatch can introduce vulnerabilities to both systems.

Water resources and water services systems span several geographic scales. While the piped water system is usually at the municipal scale, surface water can span thousands of kilometres, threading through many cities and crossing many political and national boundaries. The transboundary character of natural surface water systems complicates allocation decisions, as multiple government bodies might need to coordinate their actions across different regulatory frameworks and political systems. Because the original source of water might be far away, significant energy investments are typically required to deliver water resources and services to consumers. Groundwater can also span large regions, further complicating matters. In some regions, laws and international agreements governing groundwater (when they exist) can be different than those for surface water.

In contrast, the power grid and pipeline network does not follow natural boundaries such as river basins. Energy can be moved relatively easily: electricity is transmitted readily via power lines, and dense fossil fuels such as petroleum, coal and liquefied natural gas are shipped across oceans or transported across continents by pipelines or railways. While water can be moved via inter-basin transfer, because of water’s high

Whereas energy is required mainly for the provision of water services, water resources are required in the production of energy
density and lower price points, this approach requires significant investments of energy (Section 2.3) and is not economically feasible for bulk water.

In terms of infrastructure and operation, the most significant costs for energy services are related to capital investment in generating capacity and fuel. The cost for water provision is generally relatively low, but the risk arising from interruption of supplies can be significant. For water, the most significant costs are investment in networks and operation (including energy) and maintenance. In many critical installations the risk of energy supply interruption is also important, hence the existence of standby generation plants in many systems.

An additional challenge is that the water and energy communities have significantly different fundamental views and conceptual approaches. There is a need to create consistent frameworks for analysis, vocabularies and datasets that enable the two domains to understand each other and to communicate coherently with one another’s decision-makers.

1.3 An economic comparison

The highly varied nature of both energy and water means that comparisons and differences have to be discussed at a high level of generality. The obvious similarities of networked urban supply in both do not mean that other aspects of the two domains can be treated alike. It is particularly important to differentiate water as a service and water as a resource, and similar considerations apply to energy as raw materials and as services (or primary and secondary energy). Also, the ‘market for water services’ should not be confused with ‘water trading markets’ in the sense of trading rights to use raw water.

1.3.1 Economic similarities

Energy and water services are often (though by no means universally) structured as national, regional or local monopolies and are frequently publicly owned (though this is becoming less true of energy). Both energy and water have large fixed costs of supply in extraction, transmission and distribution, typically with heavy ‘sunk costs’ in facilities that have no alternative uses. These fixed costs form a large proportion of the total cost of supply. The ‘marginal cost’ of supplying extra units from existing capacity, particularly for networked services, is relatively low; conversely, the marginal cost of extra output once capacity is fully taken up is high, because new capacity has to be created. This implies that tariffs should (a) be flexible, reflecting the amount and timing of consumption; and (b) contain both fixed and variable elements, to ensure that fixed costs are covered whatever the level of demand.

For users not connected to a network, self-supply is necessary, frequently at a high cost compared to that of the public networked service. Thus there are large benefits from connection. However, the option of self-provision, whether for heat (wood), water (own sources), or sewerage and household sanitation, affects what the public supplier can charge. Large businesses and institutions have the economic resources to support options to provide their own services, which limits how much they can be asked to subsidize other users.

The recurrent operating costs of both water and energy comprise administrative overheads, labour, raw materials, power (in the case of water) and water (in the case of power and other forms of energy). In publicly owned utilities, administrative and labour costs tend to be proportionately higher than in privately owned utilities. In certain instances this may be due to political patronage, which inflates headcount and can impede reforms. Relatively high staff costs often leaves insufficient budget for materials, spare parts, electricity and other consumables. In Africa, and to varying degrees in other developing countries, maintenance is often insufficient or deferred, resulting in frequent outages, leakage and poor service. Power and water can have high levels of losses and inefficiency (AICD, 2012, for power p. 187, for water p. 309).

Due to the high public profile of both services there is often serious political interference with tariff setting, resulting in a high proportion of power and water utilities charging uneconomic tariffs (or failing to collect them) and posting financial losses. Farmers typically benefit from low charges for both power and irrigation water.

Another way of describing this situation is that the energy and water domains both attract large perverse subsidies (Box 16.1), in the sense of trading rights to use raw water.

The operation of services allows for involvement of the private sector to varying degrees in both energy and water, subject to regulation due to the monopoly element.
in supply and the essential nature of the service. Private ownership of infrastructure entailed in public services is rarer than private operation of publicly owned assets. In both domains, public–private partnership (PPP) examples are increasing. In build-own-operate-transfer (BOOT) and build-operate-transfer (BOT) contracts, private concessionaires build and finance projects in the first instance, then operate them for the contract period to recoup outlays and earn a profit, and finally transfer the assets to public ownership. This is becoming a commonplace arrangement, mainly in wastewater treatment plants and independent power projects.

For both power and water, regulators are confronted with the conundrum of encouraging demand restraint in sectors where private companies earn their profits by expanding sales. There is interest in exploring ways of remunerating service providers according to their success in reducing demand, following use of this model in the California power sector as a substitute for linking rewards to expanding sales volumes (World Bank, 2010a).

### 1.3.2 Economic differences

The scale of the energy and water domains, measured in economic and commercial terms, differs widely. The global size of the water ‘market’ (for services, equipment and supplies) was estimated to be US$365 billion in 2005 and the market for water treatment and distribution plant and equipment for domestic and industrial use is currently (2013) valued at $557 billion (Goldman Sachs, 2005; GWI, 2013). Even allowing for market growth since this estimate, the annual global energy market (estimated at around $6 trillion4) dwarfs this sum: the International Energy Agency (IEA) (2012a) estimates that $37 trillion of investment will be needed over the period 2012–2035 in global energy supply infrastructure alone, equivalent to $1.6 trillion annually.

Energy dwarfs water not only in market size but in many other areas. The sheer sophistication and global girth of the energy supply chain lies in stark contrast to that of the water supply chain. The energy sector is synonymous with ‘big business’, and organization within the sector is well funded and represented (Hussey et al., 2013). Consistent with its economic and commercial scale, energy attracts greatly more political attention than water in most countries: as the Camdessus Report noted of water, ‘some aspects of this sector are unglamorous, practically invisible in electoral terms’ (Winpenny, 2003, p. 9).

Whereas energy is often managed nationally, water is managed regionally and locally. Decisions in water tend to be more highly delegated; water tariffs, for instance, are commonly decided at the municipal level. The level of private sector involvement also differs. While the drinking water and sanitation sector remains largely public, the involvement of private companies in the power sector remains at a relatively high level.

Access to safe water and sanitation is recognized as a human right (United Nations Resolution 64/292, 28 July 2010), neither of which generally applies to energy. Certain water, sanitation and hygiene (WASH) services are ‘merit goods’,5 which may need active promotion (including subsidy) to convince users to take up what is on offer. Viewing water as a gift of nature (ignoring the economic cost of providing it as a service) impedes its economic pricing. No such attitude prevails in the markets for energy services.

Because of its low value-to-bulk ratio and high cost of transport, water is not commonly traded internationally or over long distances. Consequently water has no international price, unlike oil, while gas and coal are widely traded but with regional price differences, reflecting their transport and distribution systems. Although ‘virtual water’ – water embedded in goods and services – is implicitly traded on a large scale, the concept does not include any cost or price factorization and thus remains a theoretical tool with little economic influence. In a few countries, raw water (or the right to it) is traded in water markets on a seasonal or permanent basis, with prices subject to local supply and demand.

The sale of energy services (mainly electricity and some forms of heating) is predominately on a metered basis. In water services, metering is not nearly so widespread for households, and unusual for irrigation. The demand for household and industrial water is commonly considered to be ‘price inelastic’, where demand does not vary much with changes in price. The price elasticity of demand for irrigation water is less obvious, due to the very low price (often zero) charged for such water and the fact that this is often combined with subsidized energy for pumping (Molle and Berkoff, 2008). In contrast, the demand for

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4 ‘Energy is a $6 trillion global market’, quote attributed to then US Commerce Secretary Gary Locke on a visit to China in May 2010 (Shirouzu, 2010).

5 Those which governments supply to citizens as basic needs, which recipients may or may not be able or willing to pay for.
energy tends to have a higher price elasticity, making pricing a more cogent management instrument for this domain, as illustrated by the tariff differential between peak and off-peak consumption in certain countries. This implies that water tariff increases are likely to be more effective at raising revenues than in limiting demand.

1.4 Interconnections

Interconnections between water, energy and other sectors means that policies that benefit one domain can translate to increased risks and detrimental effects in another; yet they can help generate co-benefits as well. The 2011/2012 European Report on Development summarized it this way:

A drop of water, a piece of land, or a kilojoule of renewable energy cannot be seen through the single lens of one sectoral policy or management system. What might appear to be an efficient policy in one dimension can be harmful for the others, and different ways of exploiting water and land or producing renewable energy place different stresses on the other resources. An adequate response to emerging challenges, and specifically the linkages between water, energy and land, make it imperative to examine and manage the trade-offs not only among users and uses of the same resource, but also of other related resources (EU, 2012, p. 5).

The well-documented case of how government-subsidized energy drove the expansion of irrigation in parts of India provides one example of such interconnections. In the western Indus-Ganges basin, a single line provided electrical power to both the irrigation and the domestic sectors, which meant the electricity utility was unable to charge a separate electricity tariff to groundwater irrigators (Box 16.1). Several decades of cheap energy, combined with the construction of millions of private wells, new pump technologies and water-inefficient irrigation practices, led to phenomenal growth in the exploitation of groundwater (World Bank, 2010b). This perverse link between energy subsidy policy and groundwater overdraft has left the state with a bankrupt electricity utility (Shah et al., 2008). By shielding farmers from the full cost of pumping, government electricity subsidies have established a pattern of groundwater use that has proved to be resistant to change. As a result, 29% of the country’s groundwater assessment blocks are classified as semi-critical, critical or over-exploited, with the situation deteriorating rapidly (Garduno et al., 2011; Mukherji et al., 2009).

Similar experiences have been documented in Latin America and elsewhere (e.g. Oman and Yemen). With energy subsidies in place that reduce the cost of pumping, once irrigation reaches a certain level of profitability or there are limitations in surface water availability, regulatory measures
become virtually ineffective in controlling groundwater extraction. The results are declining groundwater tables and, eventually, aquifer depletion. However, there are also counter-examples such as in Bangladesh, where subsidizing energy has benefited smallholder farmers without over-exploiting water resources (Section 6.6).

Climate change and variability further complicate the situation (Box 1.2). Major droughts and high temperatures can hinder the ability of the power sector to achieve sufficient cooling, leading to power outages. When the monsoon rains arrived late in 2012, leaving much of northern India in drought and extreme heat, farmers turned to electrical pumps to bring groundwater to the surface for irrigation. Electricity demand peaked at the same time that hydropower reservoirs were at their lowest, resulting in numerous blackouts. The reverse scenario can also occur: a problem with a power grid far away might become a local power outage that inhibits water production and treatment.

Other examples of water and energy interconnections include policies supporting the development of biofuels that have had negative impacts on land, water and food prices (Section 9.2.2). Replacing fossil fuels with biofuels in transport will measurably reduce the carbon footprint, but will also enlarge the water footprint of transport (UNEP, 2011a). Desalination of salt water and pumping of freshwater supplies over large distances may help reduce freshwater scarcity in certain places, but will also increase energy use. Conflicts over water between irrigation and hydropower (Section 6.2) provide yet another example.

Interconnections, however, need not necessarily have negative repercussions. In France, for example, under the RT 2020 sustainable energy framework all buildings by 2020 will produce more energy than they consume, and they will also purify and recycle water naturally. Such policies are driving the development of innovative technologies; for example, a system that filters wastewater for use as grey water while at the same time harnessing the energy-generating potential of the algae present in the wastewater. An added benefit of this approach is that it reduces the volume of wastewater returning to the treatment plant, ultimately resulting in energy savings.

Women and children represent a disproportionately large fraction of the bottom billion, the poorest one billion people on Earth, and, as such, have the most to gain from poverty reduction measures centred on improving access to water supply and energy services (Box 1.3). In most cases, service provision to the poor would not significantly affect access to other users.

### Gender and equity dimensions

The term ‘bottom billion’ refers to the world’s population living on less than US$1.25 per day. Most of these people suffer from malnutrition and lack access to safe water supplies and electricity (or other forms of upgraded energy). Providing these basic services is a key factor in lifting these and other poor people out of poverty and helps create opportunities for generating income. In Lima, Peru, the experience of the Water for All Programme suggests that providing urban families in extreme poverty with a connection to piped water services, without any additional (permanent) subsidy, resulted in a total increase in disposable family income of 14% per month (CEPAL, 2011).

In developing countries, women and girls bear most of the work burden associated with managing water and energy scarcity, fetching water for the 780 million people lacking access to improved sources of drinking water (WHO/UNICEF, 2012) and collecting firewood for the 2.7 billion depending on traditional biomass for cooking (UNEP, 2011b). This adds to their time and work burdens and seriously compromises their educational and employment opportunities, perpetuating the intergenerational transfer of poverty and disempowerment. Available statistics often fail to recognize or measure their real contributions to their economies and communities as unpaid water and energy providers.

Water and firewood collection can place women and girls at increased risk of sexual or physical assault, especially at night in the absence of adequate street lighting. The over-reliance on wood, straw, charcoal or dung for cooking and heating is detrimental to women and children’s health – they account for more than 85% of the two million deaths each year attributed to cancer, respiratory infection and lung disease due to indoor air pollution (UNDP/WHO, 2009). It is estimated that by 2030 more than 4,000 people will die prematurely each day from household air pollution (IEA, 2010). Women and girls are also the most exposed to waterborne diseases (WWAP, 2012).

Source: UN Women.
2.1 External pressures that drive the demand for water

Alongside natural forces affecting the world’s water systems, human activities interact and unite to create pressures on water resources, for which there are no substitutes. These pressures are in turn affected by a range of factors such as technological development, political, institutional and financial conditions, and climate change.

Global population is projected to reach 9.3 billion in 2050 (UNDESA, 2012). Population growth leads to increased water demand, reflecting growing needs for drinking water, health and sanitation, as well as for energy, food and other goods and services that require water for their production and delivery. Urban areas of the world, particularly those in developing countries, are expected to absorb all this population growth, at the same time drawing in some of the rural population. This intense urbanization will increase demand for water supply, sanitation services and electricity for domestic purposes (Chapter 7).

In the absence of sustainable resource management practices for limiting the impact of wasteful consumption and unsustainable resource use, economic development can negatively impact water supplies in terms of quality and quantity. Consumer demand and increasing standards of living are driving increased demand for water, most notably by middle income households in developing and emerging economies through their greater demand for food, energy and other goods, the production of which can require significant quantities of water.

Water of acceptable quality and in adequate quantity is needed to meet food production demands. At the same time, food production and supply have a negative impact on the sustainability and quality of water resources. Agriculture is the biggest water user, with irrigation accounting for 70% of global water withdrawals (Chapter 6). With increasing demand for food, competition for water is rising. Specialized crops and livestock products often require more water (and in most cases more energy) to produce and lead to higher levels of water pollution. In the pursuit of food security, technological advancements in the agricultural sector could have significant impacts, both positive and negative, on water demand, supply and quality.

Paradoxically, technical progress aimed at improving resource use efficiency may not always serve the intended goal of decreasing resource consumption. In terms of water (as for energy), the implementation of resource-saving technologies may indeed decrease per unit consumption, but the savings are often immediately ‘reinvested’ to increase production and thus do not lead to an overall decrease in demand. This has often been the case for agriculture and industry (Chapter 8). Technology can also create rapid, dramatic and unexpected changes (both in terms of pressures and solutions), making it the most unpredictable driver (WWAP, 2009). This is particularly true in the context of water and energy, where technologies to improve the efficiency or productivity in one domain can have an opposing effect on the other. For example, the rapid dispersion of energy technologies, such as the combination of horizontal drilling and hydraulic fracturing in areas with scarce or variable water supplies, can lead to significant localized water stress (Section 3.2.1).

Climate change impacts the hydrological cycle and consequently impacts water resources. It is an additional stressor through its effects on other external pressures and thus acts as an amplifier of the already intense competition for water resources. For example, higher temperatures and an increase in the rate of evaporation may affect water supplies directly and potentially increase the water demand for agriculture and energy. Significant levels of uncertainty exist with respect to climate change projections, and these uncertainties increase greatly when focusing on local scales. Water resources management is in a difficult transition phase, trying to accommodate large uncertainties associated with climate change while struggling to implement a difficult set of principles and institutional changes.
associated with integrated water resources management (Stakhiv, 2011).

Government policies concerning water and water-related sectors, including agriculture and energy, as well as environmental protection, can obviously exacerbate or alleviate pressures on water resources. The challenge facing government lies in better coordinated planning and assessing trade-offs at the national level (Chapter 5). Investment by both the public and the private sectors will be a determining factor for the levels to which the provision of water and water-related services will increase.

### 2.2 Current global water demand and projected increases

Data on water use (withdrawals and consumption) and quality are very often outdated, limited or unavailable. When available, they are often based on estimates rather than actual measurements. Globally, total freshwater withdrawals are believed to have increased by about 1% per year between 1987 and 2000, based on data obtained from FAO AQUASTAT. It is reasonable to assume this trend overall has continued since then at a similar rate to the present. Annual freshwater withdrawals appear to have stabilized or even declined in the majority of the world’s most highly developed countries, suggesting improvements in efficiency and increasing reliance on the importation of water intensive goods, including food (Gleick and Palaniappan, 2010). This also suggests that the 1% annual global increase has been occurring almost exclusively in developing countries.

Agriculture accounts for roughly 70% of total freshwater withdrawals globally, with the industrial and domestic sectors accounting for the remaining 20% and 10%, respectively, although these figures vary considerably across countries. More-developed countries have a much larger proportion of freshwater withdrawals for industry than less-developed countries, where agriculture dominates. Agriculture accounts for more than 90% of freshwater withdrawals in most of the world’s least-developed countries (LDCs) (FAO, 2011a). Historically, ‘energy’ (fuel and power generation) has not normally been considered as a stand-alone sector when reporting on water use. Water use for energy has most often been embedded in ‘industry’. However, the IEA has estimated global water withdrawals for energy production in 2010 accounted for roughly 15% of the world total (IEA 2012a), or roughly 75% of all industrial water withdrawals.

While there is wide recognition for the need to allocate water to ecosystems (WWAP, 2009), and significant progress has been made on methodologies to quantify ecosystem requirements (Poff et al., 2010), there is less systematic information on where and to what extent the maintenance of environmental flows has actually been applied.

The global demand for water is expected to grow significantly for all major water use sectors, with the largest proportion of this growth occurring in countries with developing or emerging economies. However, quantifying potential increases in water demand is extremely difficult, as ‘there are major uncertainties about the amount of water required to meet the [growing] demand for food, energy and other human uses, and to sustain ecosystems’ (WWAP, 2012, p. 2). Without improved efficiencies, agricultural water consumption is expected to increase by about 20% globally by 2050 (WWAP, 2012). Domestic and industrial water demands are also expected to increase, especially in cities and countries undergoing accelerated economic growth and social development. Water demand for energy will certainly increase as energy demand is expected to increase by more than one-third in the period 2010–2035, with countries outside the Organisation for Economic
The global demand for water is expected to grow significantly for all major water use sectors, with the largest proportion of this growth occurring in countries with developing or emerging economies.

According to the OECD, in the absence of new policies (i.e. the Baseline Scenario), freshwater availability will be increasingly strained through 2050, with 2.3 billion more people than today (in total more than 40% of the global population) projected to be living in areas subjected to severe water stress, especially in North and South Africa and South and Central Asia. Global water demand in terms of water withdrawals is projected to increase by some 55% due to growing demands from manufacturing (400%), thermal electricity generation (140%) and domestic use (130%) (OECD, 2012a) (Figure 2.1). It should be noted that these calculations do not take environmental flows into account, necessary for the future delivery of water supply and water-based ecosystem services.

### 2.3 Energy requirements for water provision

Energy is required for two components of water provision: pumping and treatment. The energy needed for pumping water depends on elevation change (including depth in the case of groundwater), distance, pipe diameter and friction. Pumping water requires a lot of energy because of its high density. The amount of energy needed in water and wastewater treatment processes varies greatly and is dependent upon factors such as the quality of the source water, the nature of any contamination, and the types of treatment used by the facility (Section 7.3).

Different levels of treatment are required for different uses. Drinking water typically requires extensive treatment, and once used, it needs to be treated again to reach a standard safe for return to the environment. Many of these steps are highly energy intensive. Some treatment processes, such as ultraviolet (UV), consume relatively little energy (0.01–0.04 kWh/m³). More sophisticated techniques, such as reverse osmosis, require larger amounts (1.5–3.5 kWh/m³). Water for agriculture generally requires little or no treatment, so energy requirements are mainly for pumping (Section 6.4). Globally, the amount of energy used for irrigation is directly related to the enormous quantities of water required for irrigation and the irrigation methods used.

![Global water demand (freshwater withdrawals): Baseline Scenario, 2000 and 2050](image)

**Note:** This diagram does not incorporate critical elements such as the distance the water is transported or the level of efficiency, which vary greatly from site to site.

Source: OECD (2012a, fig. 5.4, p. 217, output from IMAGE). OECD Environmental Outlook to 2050 © OECD.

![Amount of energy required to provide 1 m³ water safe for human consumption from various water sources](image)

**Note:** This diagram does not incorporate critical elements such as the distance the water is transported or the level of efficiency, which vary greatly from site to site.

An interesting and notable flip side of the water–energy nexus is that wastewater is becoming recognized as a potential source of energy rather than as a mere waste stream. In several countries, water supply companies are working towards becoming energy neutral.

Surface water, when located near delivery points, is usually the least energy intensive to distribute, but can be highly polluted. Groundwater generally requires little treatment, but more energy to pump it to the surface. Brackish groundwater requires significant energy for treatment, depending on the level of total dissolved solids in the water (the more salts to be removed, the more energy required). Seawater desalination is at the high end of the energy intensity scale, with energy requirements being a function of water temperature and salinity (Figure 2.2).

Growth in desalination has increased significantly over the past 20 years as countries seek to augment natural water supplies and as the combined energy and industrial costs have reportedly dropped to below US$0.50/m³ (IRENA, 2012a). There are currently more than 16,000 desalination plants worldwide, with a total global operating capacity of roughly 70 million m³/day (IDA, n.d.). Some industry observers have suggested operating capacity could nearly double by 2020. Desalinated water involves the use of at least 75.2 TWh/year, which is about 0.4% of global electricity consumption (IRENA, 2012a). Although this technology may be appropriate for supplementing water supplies for some domestic and industrial users in middle and high income regions near the coast, it is currently not an affordable alternative for the poorest countries, for large water consuming sectors such as agriculture, or for consumption at a distance from the plant due to transportation costs. There are promising advances in desalination (Section 5.2.1; Box 12.2) though at the same time it is recognized that increased salinity levels in seawater caused by desalination can have negative impacts on local marine ecosystems.

Groundwater is the primary source of drinking water worldwide, and in countries such as Denmark and Mexico comprises a significant portion of water supply (99% and 95%, respectively) while the same ratio is 38% for the United States of America (USA) (Chilton, 2002; Kenny et al., 2009). Groundwater pumping typically requires around 0.1 kWh/m³ at 36.5 m depth to 0.5 kWh/m³ at 122 m depth (US GAO, 2011). Groundwater is often cited as a high quality source that requires less treatment than surface water. When groundwater is relatively free of microbial contamination and any chemical contamination is localized, its treatments costs can be much lower than surface water. For example, in Canada, operation and maintenance costs (including energy and labour) of plants treating groundwater are approximately half on average of those treating surface water (Statistics Canada, 2011). More than 17% of Canadian groundwater requires no treatment and nearly 30% requires only disinfection. Given that the depth of wells, and therefore pumping costs, are dependent on groundwater level, ensuring adequate recharge rates can result in long-term cost and energy savings. In this regard, sustainable groundwater management, including managing aquifer recharge (Box 2.1), can lead to positive benefits.

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**Box 2.1 Aquifer recharge**

Managed aquifer recharge (MAR) is the process of intentionally banking, and in some cases treating, water in aquifers. MAR is used both to prevent degradation of groundwater resources and to generate additional sources of drinking water via storage or bioremediation of wastewater. There are several types of MAR, some of which require energy (e.g. aquifer storage and recovery) and some of which do not (e.g. infiltration ponds) (Dillon, 2005; Tuinhof et al., 2012). Energy consumptive MAR are used mostly in the USA and in Australia, while non-consumptive MAR are used in nearly every region of the world (Tuinhof et al., 2012).

The use of MAR to create or augment existing water supplies could have measurable energy savings and carbon emission reductions. For example, a study examining parts of the San Francisco Bay Area showed that creating local water supplies could save 637 million kWh/year. Given that the energy required to pump groundwater increases with depth, preventing groundwater depletion also results in long-term energy savings (US DOE, 2006).

Source: Kirstin I. Conti, IGRAC and University of Amsterdam.
In the absence of flow regulation by artificial storage infrastructure, the availability of surface water varies from place to place across days, seasons, years and decades as a function of climate variability. Climate change means past hydrological trends are no longer indicative of future water availability. According to the most recent climate projections from the Intergovernmental Panel on Climate Change (IPCC) (2008), dry regions are to a large extent expected to get drier and wet regions are expected to get wetter, and overall variability will increase. There is mounting evidence that this is indeed happening as a result of an intensification of the water cycle (Durack et al., 2012) and it is affecting local regional water supplies, including those available for energy production.

There is clear evidence that groundwater supplies are diminishing, with an estimated 20% of the world’s aquifers being over-exploited, some massively so (Gleeson et al., 2012). Globally, the rate of groundwater abstraction is increasing by 1% to 2% per year (WWAP, 2012),

> An interesting and notable flip side of the water–energy nexus is that wastewater is becoming recognized as a potential source of energy (Sections 5.2.4, 7.4.3; Box 16.4) rather than as a mere waste stream. In several countries, water supply companies are working towards becoming energy neutral; they intend to generate an amount of energy from wastewater that equals the amount of energy consumed in their other operations.

See Chapters 17 and 24 (Volume 2) for the case studies ‘Green energy generation in Vienna, Austria’ and ‘Green energy production from municipal sewage sludge in Japan’, respectively.

2.4 Water availability

While data on precipitation – which can be measured with relative ease – are generally available for most countries, river runoff and groundwater levels are generally much more difficult and costly to monitor. As a result, trends regarding changes in the overall availability of freshwater supplies are difficult to determine in all but a few places in the world. However, it is clear that several countries face varying degrees of water scarcity, stress or vulnerability (Figure 2.3).  

![2.3 Total renewable water resources, 2011 (m³ per capita per year)](image)

Source: WWAP, prepared with data from FAO AQUASTAT (aggregate data for all countries except Andorra and Serbia, external data) (website accessed Oct. 2013), and using UN-Water category thresholds.

### Figure

**Total renewable water resources, 2011 (m³ per capita per year)**

Source: WWAP, prepared with data from FAO AQUASTAT (aggregate data for all countries except Andorra and Serbia, external data) (website accessed Oct. 2013), and using UN-Water category thresholds.

7 For more detailed information on water availability, stress and scarcity, see WWAP (2012, section 4.6, ‘In or out of balance?’).
There is clear evidence that groundwater supplies are diminishing, with an estimated 20% of the world’s aquifers being over-exploited, some massively so. Globally, the rate of groundwater abstraction is increasing by 1% to 2% per year.

Worldwide further contributes to reduced potential in ecosystems’ capacity to purify water. It is estimated that more than 80% of used water worldwide – and up to 90% in developing countries – is neither collected nor treated (WWAP, 2012), threatening human and environmental health.

Water quality is also a key determinant of water availability, although potable water is not required for all purposes. Polluted (or saline) water cannot be used for several crucial purposes such as drinking and hygiene. However, for other purposes such as agriculture and certain industries, use of slightly polluted water or partially treated wastewater can be considered. This provides an opportunity to use reclaimed wastewater and stormwater, reducing the cost and energy consumption associated with water treatment (Section 7.4.2).

Although there have been some local successes in improving water quality (mainly in developed countries), there are no data to suggest an overall improvement in water quality at the global scale. Deterioration of wetlands adding to water stress in several areas (Figure 2.4) and compromising the availability of groundwater to serve as a buffer against local supply shortages.

Water quality is a key determinant of water availability, although potable water is not required for all purposes. Polluted (or saline) water cannot be used for several crucial purposes such as drinking and hygiene. However, for other purposes such as agriculture and certain industries, use of slightly polluted water or partially treated wastewater can be considered. This provides an opportunity to use reclaimed wastewater and stormwater, reducing the cost and energy consumption associated with water treatment (Section 7.4.2).

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3.1 Global energy demand

Many of the external pressures that drive the increasing demands for water (Section 2.1) also play influential roles in the growing demand for energy. Both are fundamentally driven by (and drivers of) social development and economic growth, and both are strongly influenced by economic forces, increasing living standards, technological development, and government policy. One of the main differences, as detailed in Chapter 1, is that market forces have tended to play a much more important role with respect to energy sector development, whereas the management of water resources and the improvement of water-related services have historically been more of a socio-political prerogative.

Progressive energy access programmes, accelerated urbanization, and rapid economic development in some developing countries have provided access to modern energy services for hundreds of millions of people over the past two decades, especially in China and India. However, nearly one-fifth of the global population, close to 1.3 billion people, did not have access to electricity in 2010, and roughly 2.6 billion people relied on the traditional use of biomass for cooking (IEA, 2012a) (Table 1.1).

Global energy demand is expected to grow by more than one-third over the period to 2035, with China, India, and the Middle East accounting for about 60% of the increase, according to the IEA’s New Policies Scenario (IEA, 2012a) (see Box 3.1 for a description of IEA scenarios).

The IEA’s World Energy Outlook 2012 estimates global water withdrawals for energy production in 2010 at 583 billion m³ (representing some 15% of the world’s total withdrawals), of which 66 billion m³ was consumed (IEA, 2012a). By 2035, according to its New Policies Scenario (Box 3.1), withdrawals would increase by 20%, whereas consumption would increase by 85%, driven by a shift towards higher efficiency power plants with more advanced cooling systems (that reduce withdrawals but increase consumption) and due to increased production of biofuel.

3.1.1 Water’s role in meeting the growing energy demand

Water is crucial for energy. Water is used in the extractive industries for producing fuels such as coal, uranium, oil, and gas. Water is an input for energy crops such as corn and sugar cane for ethanol and biomass for fuel pellets. Water is also crucial for cooling purposes in most power plants and the driving force for hydroelectric and steam turbines.
In some places, water is used for transporting fuels, such as waterways throughout Europe and many parts of Asia that float barges carrying coal from mines to power plants. In other places water is used to permit coal slurry to be transported from coal mines to power plants through pipelines.

Energy accounts for a significant fraction of a country’s water use (both consumptive and non-consumptive). In developing countries, 10% to 20% of withdrawals are used to meet industrial needs, including energy (Boberg, 2005). In some developed countries, where a smaller fraction is used for agriculture, more than 50% of water withdrawals are used for power plant cooling alone (Section 3.3.1).

The following sections describe the potential implications and impacts of energy production on water and examine supply and demand trends for different forms of primary energy and electrical power generation.

### 3.2 Primary energy

Water is used to produce fuels in the extractive industries in a variety of ways, each requiring different quantities of water (Figure 3.1). For example, many coal seams need to be dewatered before mining can commence. That water use is often classed as consumptive because the water might not subsequently be available for other uses. Water is also used for leaching minerals in uranium mining, with significant impacts on the downstream environment. Significant volumes of water are used for oil and gas production. Generally, biofuels require more water per unit energy than extracted fuels because of the water needed for photosynthesis, and unconventional fossil fuels require more water than conventional fossil fuels.

There is evidence that demand for all types of primary energy will increase over the period 2010–2035 (IEA, 2012a) (Figure 3.2). Despite the ongoing progress of ‘clean’ technology policies promoting renewables, the world’s global energy system appears to remain on a relatively fixed path with respect to its continued reliance on fossil fuels. A shift away from oil and coal (and, in some countries, nuclear power) is expected in OECD countries, where energy demand is not expected to rise appreciably. Despite the growth in low carbon sources of energy, however, fossil fuels are expected to remain dominant in the global energy mix (IEA, 2012a).

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8 The term ‘primary energy’ is associated with any energy source that is extracted from a stock of natural resources or captured from a flow of resources and that has not undergone any transformation or conversion other than separation and cleaning. Examples include coal, crude oil, natural gas, solar power and nuclear power. ‘Secondary energy’ refers to any energy that is obtained from a primary energy source by a transformation or conversion process. Thus oil products or electricity are secondary energies as these require refining or electric generators to produce them (IEA, 2004).
Water is used as a process input and a feedstock for process steam at refineries to upgrade crude into higher value products. Typical volumes of water needed end-to-end (from extraction through refining) for petroleum-based fuels are 7–15 litres water per litre fuel (Beal, 2012; Sanders and Webber, 2012). For natural gas, the volumes of water are approximately 20–50 litres water per barrel equivalent of oil (Lutz et al., 2013). 9

Unconventional oil and gas production is generally more water intensive than conventional oil and gas production. For oil sands production in Canada and heavy oil production in Venezuela, water is used to make steam to reduce the viscosity of the fuel, easing production. Water is also a critical input for hydraulic fracturing, or ‘fracking’ (Box 3.2).

For hydraulic fracturing, typical water injection volumes are 8–30 million litres per well. Approximately 250 tonnes of proppant, such as sand, is injected to hold the cracks open to increase the gas flows. The typical composition of fracking fluids is 98% sand and water and 2% chemicals (acids, surfactants, biocides and scaling inhibitors), which are added to increase productivity. As producers become more water efficient, using less water per well, the relative proportion of chemicals increases. A significant fraction of the injected fluid comes back out of the wells as wastewater (including drilling muds, flowback water and produced water). The volume of produced water that is returned varies greatly, depending on the geological characteristics of the formation; it can be as low as 15% and as high as 300% 10 of the injected volume.

The water intensive process produces large volumes of wastewater with high salinity and potential for containing naturally occurring radioactive materials. Further risks to water quality can occur from storage pits that are not properly lined (allowing the wastewater to trickle down into the groundwater), from spills by trucks that carry the wastewater, or by injection into waterways from wastewater treatment plants that do not adequately treat the produced water.

---

9 For more on the water intensity of transportation fuels, see WWAP (2012, fig. 19.5).

10 Some wells yield higher volumes of produced water than the amount of original water that was injected.
Hydraulic fracturing: Prospects and limitations of the natural gas future

Increasing energy demands and decreasing availability of conventional fuels has quickly transformed natural gas extraction from shale formations into a potentially significant energy solution for the coming decades. The controversy generated by its potential environmental impacts has arisen equally fast, especially due to risks affecting groundwater resources used for drinking water supply.

The total amount of the world’s technically recoverable gas resources would increase more than 40% if all the shale gas resources were added to the already identified conventional gas resources (US EIA, 2011). This newly available energy source could cover 30% of the world’s total primary energy supply by 2050 (EC, 2012a).

The use of ‘fracking’ in conjunction with horizontal drilling has opened up natural gas resources that had previously not been commercially viable (US EIA, 2010b). Increasing development of these unconventional resources is closely linked to the improvement of fracking technologies. Fracking is a part of the production process, even though it is commonly confused with the complete process, which includes well construction, hydraulic fracturing, production and closure (Cooley and Donnelly, 2012).

Social awareness about the potential risks of fracking techniques has fostered research on the environmental impacts: land-take, air pollution, noise pollution, water contamination and withdrawal, biodiversity impacts and seismicity (EC, 2012b). Public concern is especially focused on the risks affecting drinking water resources. In fact, evidence of a relationship between methane contamination of shallow aquifers and shale gas exploitation has been recently documented (Osborn et al., 2011). Drinking water resources as well as ecosystems can be affected by contaminated water (Halousczak et al., 2013) released by the well after injection.

Besides groundwater pollution risks, local groundwater consumption by fracking might become a limiting factor, especially in arid regions where groundwater resources are generally available, unlike surface water. The fracturing process of a single well requires 7,000–18,000 m³ water (Arthur et al., 2008) distributed along a period of 30–40 years (Nicot and Scanlon, 2012). The aquifer replenishment capacity of this temporally intense groundwater demand needs to be tackled during project design, while considering possible conflicts with other groundwater uses.

Other potential impacts from fracking processes are related to chemical mixing or wastewater treatment and disposal (US EPA, 2012; Howarth et al., 2011).

Source: Laura del Val Alonso, IGRAC
Coal met 45% of the growth in global energy demand over the past decade (IEA, 2012a). Policy decisions, including possible measures to cut coal-related greenhouse gas (GHG) emissions and to develop and deploy CCS will determine whether demand carries on rising strongly or changes course radically. In the power sector, inter-fuel competition with renewables and gas can also affect coal demand (IEA, 2012a).

Growth in oil consumption in emerging economies (China, India and the Middle East) is likely to outweigh reduced demands in OECD countries, pushing global oil demand steadily higher over the next two decades (IEA, 2012a).

Demand for natural gas is expected to increase as a result of rapid growth in developing countries, led by China (IEA, 2012a). Abundant supplies in North America are likely to spur growth in natural gas development in the USA and Canada, and lower natural gas prices may lead to a significant shift towards the increasing use of gas in power generation and transport.

The development of unconventional gas resources (i.e. shale gas) appears to be on a fast track in Australia, China and the USA. There are several other countries where shale gas resource estimates are high (above 5.6 km³) and there exists a significant natural gas production infrastructure for internal use or for export, including Algeria, Argentina, Brazil, Canada, Libya and Mexico (US EIA, 2011). However, regulatory uncertainties linked to environmental and health concerns are likely to slow down shale gas development in many of these countries (IEA, 2012a). Water limitations have also stymied development of shale gas resources in certain areas. Significant shale gas development could also emerge in countries that have at least some gas production infrastructure and whose estimated shale gas resources are substantial relative to their current levels of consumption, which are currently met by natural gas imports. Examples of countries in this group are Chile, France, Morocco, Poland, South Africa, Turkey and Ukraine (US EIA, 2011).

3.2.2 Biofuels
In 2010, traditional biomass represented 9.6% of global final energy consumption (Figure 9.2), whereas modern biofuels represent only 0.8% of global final energy consumption (Banerjee et al., 2013, fig. 4.1). But the contribution of biofuels to energy supply is expected to grow rapidly, with beneficial impacts including reduction in GHGs, improved energy security and potential new income sources for farmers (de Fraiture et al., 2008).

However, local and regional impacts of biofuels could be substantial, as they are among the most water intensive types of fuel production (Figure 3.1). Biomass production for energy will compete with food crops for scarce land and water resources, already a major constraint on agricultural production in many parts of the world. China and India, the world’s two largest producers and consumers of many agricultural commodities, already face severe water limitations in agricultural production, yet both have initiated programmes to boost biofuel production (de Fraiture et al., 2008). The potential impacts of biofuels on water resources and the impacts of bioenergy on ecosystems are discussed in detail in Sections 6.5 and 9.2.2, respectively.

Biofuel production has increased dramatically since 2000 (Figure 3.3). Biofuel was originally perceived as a sustainable (‘green’) alternative to GHG-emitting oil and gas for transportation (primarily). Propelled in part by rising oil prices, the macroeconomic trading environment, and energy security concerns, biofuel policies in the European Union (EU) have been reconsidered due to growing recognition of their adverse effects on land, water and the environment. Understanding of short-term climate mitigation benefits of biofuels has also been revised; it has been estimated that biofuels will achieve net GHG savings only after 2030 (IIASA, 2009).
Increasing ambient water temperatures and changes in overall water availability create risks for the power sector. Power plants have had to shut down because of lack of water for cooling purposes or because of high water temperatures; droughts are threatening the hydropower capacity of many countries; and several reports conclude that water availability could be a constraint for the expansion of the power sector in many emerging economies, especially in Asia (IEA, 2012a; Bloomberg, 2013; Sauer et al., 2010).

Almost 1.3 billion people did not have access to electricity in 2010 (Table 1.1). Although access differs significantly across regions, the majority of the unserved population resides in LDCs and sub-Saharan Africa in particular (Figure 3.6).

### 3.3 Electrical power generation

Approximately 90% of global power generation is water intensive. Water is used directly for hydropower generation as well as for all forms of thermal power generation schemes. Water also indirectly enables power generation through the cooling it provides for the vast majority of thermal power plants. These plants use heat (from nuclear, coal, natural gas, petroleum, solar or biomass sources) to make power, and are responsible for roughly 80% of global electricity production (Figure 3.5).

Increasing ambient water temperatures and changes in overall water availability create risks for the power sector. Power plants have had to shut down because of lack of water for cooling purposes or because of high water temperatures; droughts are threatening the hydropower capacity of many countries; and several reports conclude that water availability could be a constraint for the expansion of the power sector in many emerging economies, especially in Asia (IEA, 2012a; Bloomberg, 2013; Sauer et al., 2010).

Almost 1.3 billion people did not have access to electricity in 2010 (Table 1.1). Although access differs significantly across regions, the majority of the unserved population resides in LDCs and sub-Saharan Africa in particular (Figure 3.6).

### 3.4 Global ethanol production by feedstock

Globally, electricity demand is expected to grow by roughly 70% by 2035. This growth will be almost entirely in non-OECD countries, with China and India accounting for more than half that growth. As shown in Table 3.1 and Figure 3.7, the greatest increases in the power generation mix in both OECD and non-OECD countries are expected to come from renewables. Hydropower is expected to account for the largest portion of the renewable increase in non-OECD countries, whereas wind is predicted to dominate in the OECD. In the absence of sturdy energy policies, the capital cost of the plant is by far the most important driver in the evolution of nuclear power and renewables. Relative costs, which are also influenced by government policies, are the primary driver of the projected changes in the types of fuels and technologies used to generate power (IEA, 2012a).

The following sections examine water-related impacts and implications of the main forms of electricity generation and provide an outlook of projected future growth trends that will determine the pressures on water resources.

### 3.3.1 Thermal power

With a direct heat transferring capacity roughly four times greater than air, water is a much more effective coolant. The thermal power sector is a large user of water; in Europe, it is responsible for 43% of total freshwater withdrawals (Rübbelke and Vögele, 2011) and accounts for more than 50% national water withdrawals in several countries (Eurostat, 2010). The thermal power sector is also the single largest user of water in the USA, responsible for nearly half of all water withdrawals, ahead of even agriculture (Kenny et al., 2009). In China, water...
withdrawals for power plant cooling exceed 100 billion m$^3$ annually, which is more than 10% of the national cap (700 billion m$^3$) (Bloomberg, 2013). In developing countries, relative water use by the power sector is generally lower, and by the agriculture sector is generally higher.

### Share of electricity generation by source and region in the New Policies Scenario

![Figure 3.7](image-url)


### Electricity generation by source and scenario (TWh)

<table>
<thead>
<tr>
<th>Source</th>
<th>1990</th>
<th>2010</th>
<th>2020</th>
<th>2035</th>
<th>2020</th>
<th>2035</th>
<th>450 Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OECD</strong></td>
<td>7 629</td>
<td>10 848</td>
<td>11 910</td>
<td>13 297</td>
<td>12 153</td>
<td>14 110</td>
<td>11 470</td>
</tr>
<tr>
<td>Fossil fuels*</td>
<td>4 561</td>
<td>6 600</td>
<td>6 629</td>
<td>6 401</td>
<td>6 981</td>
<td>7 948</td>
<td>5 931</td>
</tr>
<tr>
<td>Nuclear</td>
<td>1 729</td>
<td>2 288</td>
<td>2 318</td>
<td>2 460</td>
<td>2 299</td>
<td>2 240</td>
<td>2 392</td>
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<tr>
<td>Hydro</td>
<td>1 182</td>
<td>1 351</td>
<td>1 486</td>
<td>1 622</td>
<td>1 474</td>
<td>1 578</td>
<td>1 521</td>
</tr>
<tr>
<td>Other renewables</td>
<td>157</td>
<td>609</td>
<td>1 477</td>
<td>2 183</td>
<td>1 400</td>
<td>2 343</td>
<td>1 627</td>
</tr>
<tr>
<td><strong>Non-OECD</strong></td>
<td>4 190</td>
<td>10 560</td>
<td>16 325</td>
<td>23 340</td>
<td>17 040</td>
<td>26 255</td>
<td>15 026</td>
</tr>
<tr>
<td>Fossil fuels*</td>
<td>2 929</td>
<td>7 847</td>
<td>11 163</td>
<td>14 528</td>
<td>12 167</td>
<td>18 882</td>
<td>9 522</td>
</tr>
<tr>
<td>Nuclear</td>
<td>283</td>
<td>468</td>
<td>1 125</td>
<td>1 906</td>
<td>1 099</td>
<td>1 668</td>
<td>1 209</td>
</tr>
<tr>
<td>Hydro</td>
<td>962</td>
<td>2 079</td>
<td>3 027</td>
<td>4 054</td>
<td>2 916</td>
<td>3 771</td>
<td>3 137</td>
</tr>
<tr>
<td>Other renewables</td>
<td>15</td>
<td>166</td>
<td>1 010</td>
<td>2 851</td>
<td>858</td>
<td>1 934</td>
<td>1 159</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td>11 819</td>
<td>21 408</td>
<td>28 235</td>
<td>36 637</td>
<td>29 194</td>
<td>40 364</td>
<td>26 497</td>
</tr>
<tr>
<td>Fossil fuels*</td>
<td>7 490</td>
<td>14 446</td>
<td>17 793</td>
<td>20 929</td>
<td>19 148</td>
<td>26 829</td>
<td>15 453</td>
</tr>
<tr>
<td>Nuclear</td>
<td>2 013</td>
<td>2 756</td>
<td>3 443</td>
<td>4 366</td>
<td>3 397</td>
<td>3 908</td>
<td>3 601</td>
</tr>
<tr>
<td>Hydro</td>
<td>2 144</td>
<td>3 431</td>
<td>4 513</td>
<td>5 677</td>
<td>4 390</td>
<td>5 350</td>
<td>4 658</td>
</tr>
<tr>
<td>Other renewables</td>
<td>173</td>
<td>775</td>
<td>2 486</td>
<td>5 665</td>
<td>2 259</td>
<td>4 277</td>
<td>2 785</td>
</tr>
</tbody>
</table>

* Includes coal-, gas- and oil-fired generation.

*Note: See Box 3.1 for an explanation of the scenarios.

Several factors determine how much cooling water is needed by thermal power plants, including the fuel type, cooling system design and prevailing meteorological conditions. However, efficiency is often the main factor that drives water requirements: the more efficient the power plant, the less heat has to be dissipated, thus less cooling is required (Delgado, 2012). Older power plants tend to be less efficient and thus consume more water (using the same cooling system under similar meteorological conditions).

For power plants with similar efficiency levels, the cooling system used will determine how much water is required. The three most prevalent cooling methods are open-loop, closed-loop and dry cooling (hybrid wet-dry systems exist, but are not widely used). Open-loop, or once-through, cooling withdraws large volumes of surface water, fresh and saline, for one-time use and returns nearly all the water to the source with little being consumed by evaporation (Figure 3.8). Closed-loop cooling requires less water withdrawal, as the water is recirculated through use of cooling towers or evaporation ponds, leading to much higher water consumption (Table 3.2) (Stillwell et al., 2011).

Dry cooling does not require water, but instead cools by use of fans that move air over a radiator (similar to those in automobiles). Power plant efficiency is lower, and this option is often the least attractive economically. While dry cooling is less effective in warmer and dryer climates, such installations do operate in warm and dry areas, including China, Morocco, South Africa and south-western USA, because these systems offer resilience against drought, but have parasitic losses on power plant output. It has been estimated that cost reductions of 25% to 50% are needed for air cooled condensers (ACC) to become economically competitive in most regions of the world (Ku and Shapiro, 2012).

The volatility of price fluctuations of the three main fuels for thermal power generation — coal, natural gas and oil — renders the projection of future trends in plant development and related fuel consumption problematic. The future energy mix is likely to be determined by factors such as developments in the exploration and production of unconventional oil and gas, the economic implications of these developments, and their impact on the market price of fuels. The future of unconventional gas is itself uncertain, according to the IEA (2012a, p. 125): 'the prospects for unconventional gas production worldwide remain uncertain and depend, particularly, on whether governments and industry can develop and apply rules that effectively earn the industry a “social

---

**FIGURE 3.8 Water use for electricity generation by cooling technology**

- **Withdrawal**
- **Consumption**

* Includes trough, tower and Fresnel technologies using tower, dry and hybrid cooling, and Stirling technology. ** Includes binary, flash and enhanced geothermal system technologies using tower, dry and hybrid cooling.

Notes: Ranges shown are for the operational phase of electricity generation, which includes cleaning, cooling and other process related needs; water used for the production of input fuels is excluded. Fossil steam includes coal-, gas- and oil-fired power plants operating on a steam cycle. Reported data from power plant operations are used for fossil-steam once-through cooling; other ranges are based on estimates summarized in the sources cited. Solar PV, solar photovoltaic; CSP, concentrating solar power; CCGT, combined-cycle gas turbine; IGCC, integrated gasification combined-cycle; CCS, carbon capture and storage. For numeric ranges, see [http://www.worldenergyoutlook.org](http://www.worldenergyoutlook.org).

licence to operate” within each jurisdiction, so satisfying already clamorous public concerns about the related environmental and social impacts’ (Box 3.2).

In spite of the uncertainties, coal is expected to remain the backbone fuel for electricity generation globally through to 2035 (Figure 3.7). Although its use for this purpose will continue to rise in absolute terms, its share in the total generation is expected to fall while the share of gas increases slightly (IEA, 2012a). Oil-fired power generation is also likely to diminish, due in part to increased competition for oil from the transportation sector.

### 3.3.2 Nuclear power

As nuclear power generation relies on the same cooling technologies as those described above for thermal power (nuclear is a form of thermal power), the immediate water-related impacts are similar. Nuclear output is expected to grow in absolute terms, driven by expanded generation in China, Korea, India and Russia, but its share in the global electricity mix is expected to fall slightly over time (Table 3.3; Figure 3.7) (IEA, 2012a). In Canada and the USA, the competitiveness of nuclear power is being challenged by the growth of relatively inexpensive natural gas.

### 3.3.3 Hydropower

Although hydropower generation is a major water user, most of the water used is returned to the river

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**Thermal power plant cooling system advantages and disadvantages**

<table>
<thead>
<tr>
<th>Cooling system</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once-through [open-loop]</td>
<td>Low water consumption</td>
<td>High water withdrawals [with risk of impingement and entrainment of aquatic life]</td>
</tr>
<tr>
<td></td>
<td>Mature technology</td>
<td>Impact on ecosystem</td>
</tr>
<tr>
<td></td>
<td>Lower capital cost</td>
<td>Exposure to thermal discharge limits</td>
</tr>
<tr>
<td></td>
<td>[Highest performance]</td>
<td></td>
</tr>
<tr>
<td>Wet tower [closed-loop]</td>
<td>Significantly lower water withdrawal than once-through</td>
<td>Higher water consumption than once-through</td>
</tr>
<tr>
<td></td>
<td>Mature technology</td>
<td>Lower power plant efficiency [slightly lower performance than once-through]</td>
</tr>
<tr>
<td></td>
<td>[High performance]</td>
<td>Higher capital cost than once-through</td>
</tr>
<tr>
<td></td>
<td></td>
<td>[Thermal plumes]</td>
</tr>
<tr>
<td>Dry</td>
<td>Zero or minimal water withdrawal and consumption</td>
<td>Higher capital cost relative to once-through and wet tower</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lower plant efficiency, particularly when ambient temperatures are high [hot, dry days]</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Larger land area requirements</td>
</tr>
<tr>
<td>Hybrid [wet-dry]</td>
<td>Lower capital cost than dry cooling</td>
<td>Higher capital cost than wet tower</td>
</tr>
<tr>
<td></td>
<td>Reduced water consumption compared with wet tower</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No efficiency penalty on hot [wet] days</td>
<td>Limited technology experience</td>
</tr>
<tr>
<td></td>
<td>Operational flexibility</td>
<td></td>
</tr>
</tbody>
</table>

Beyond electricity generation, hydropower, and more specifically reservoirs, can also provide storage for dry spells, and they support flood management, navigation and recreation. Problems can arise due to the different timings throughout the year when releases of water are required for different purposes. Large-scale hydroelectric plants around the world have been criticized for a number of reasons, including damage to the environment and biodiversity, loss of cultural and historical sites, and social disruption (Glassman et al., 2011) (see Section 9.2.1 for more on the impacts of hydropower on ecosystems).

Hydroelectricity is currently the largest renewable source for power generation in the world, meeting 16% of global electricity needs in 2010. See Chapters 19 and 23 (Volume 2) for the case studies ‘Hydropower development in Eastern Herzegovina: The Trebišnjica Multipurpose Hydrosystem’ and ‘The role of hydroelectric power stations in the aftermath of the Great East Japan Earthquake’, respectively.

‘Run-of-the-river’ hydroelectric plants consume minimal water. They return temporarily diverted water to the running water source, and do not require reservoirs. At the moment, however, they are too small in scale to supply large amounts of energy (Glassman et al., 2011) and are therefore best suited to provide power at the community level.

Beyond electricity generation, hydropower, and more specifically reservoirs, can also provide storage for dry spells, and they support flood management, navigation and recreation. Problems can arise due to the different timings throughout the year when releases of water are required for different purposes. Large-scale hydroelectric plants around the world have been criticized for a number of reasons, including damage to the environment and biodiversity, loss of cultural and historical sites, and social disruption (Glassman et al., 2011) (see Section 9.2.1 for more on the impacts of hydropower on ecosystems).

Hydroelectricity is currently the largest renewable source for power generation in the world, meeting 16% of global electricity needs in 2010 (IEA, 2012a) (Figure 3.5). The recent rate of growth in electricity generation from additional hydro capacities has been similar to that of all other renewables combined (Figure 3.9) (IEA, 2012b). In 2010, the global

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11 The most recent single year for which such data were available at the time of writing this report.
production of hydroelectricity was estimated to have increased by more than 5% (IRENA, 2012b).

Hydropower, when associated with water storage in reservoirs, can store energy over weeks, months, seasons or years. Because spinning turbines can be ramped up more rapidly than any other generation source, hydropower (and pumped storage) can contribute to the stability of the electrical system by providing the full range of ancillary services required for the high penetration of variable renewable energy sources, such as wind and solar (IRENA, 2012b).

Pumped storage hydroelectricity is a type of generation used by some power plants. These plants make use of low-cost off-peak energy to adjust to variations in demand and to balance the load. They are a net consumer of energy. They draw electricity from the grid to lift the water up, then return most of the water later, with a round-trip energy efficiency of 70% to 85% (IEA, 2012b). It has been estimated that more than 127,000 MW of pumped storage capacity was operating worldwide in 2009, and this was expected to grow 60% through 2014 (Montoya, 2009). Pumped storage currently represents 99% of on-grid electricity storage (EPRI, 2010).

According to Kumar et al. (2011), the percentage of undeveloped technical potential for hydropower is highest in Africa (92%), followed by Asia (80%), Australasia/Oceania (80%) and Latin America (74%) (Figure 3.10). However, only about two-thirds of estimated total technical potential is believed to be economically feasible (Table 3.3) (Aqua-Media International Ltd, 2012).

Hydropower’s share in total electricity generation is expected to remain around 15% through 2035 (IEA,
Wind and solar PV consume negligible amounts of water, yet they provide an intermittent service that needs to be compensated for by other sources of power (which do require water) to maintain load balances on larger grids.

2012a), keeping pace with the overall growth rate of power generation. Nearly 90% of the expected increase in hydropower production between 2010 and 2035 would be in non-OECD countries, where the remaining potential is higher and growth in electricity demand is strongest. Most incremental increases in hydropower output are expected to come from large projects in emerging economies and developing countries in Asia and Latin America, notably in China, India and Brazil (IEA, 2012a). In Asia and particularly in Africa, lack of financing and of operational capacity, combined with political and market risks, create major challenges to hydropower development (Chapters 11, 14). Uncertainty remains with respect to how various social and environmental issues may affect the rate of hydropower development in these regions.

3.3.4 Solar and wind power
Broadly, there are two primary categories of solar technologies. One, solar photovoltaic (PV), converts solar energy directly into electricity. Like wind, solar PV generally consumes minimal water (Figure 3.8), mainly in the production stage and during cleaning and maintenance. The other, concentrated solar power (CSP), commonly known as 'solar thermal', concentrates solar rays to produce steam to power turbines.

Using the same type of cooling system (and assuming today's generation of technology and cleaning frequency), CSP consumes approximately five times more water per unit energy than a gas-fired power plant, two times more than a coal-fired plant and 1.5 times more than a nuclear plant (Glassman et al., 2011). There are efforts to reduce this need for water in many aspects of solar thermal systems, ranging from mirrors to fluids and thermal storage. Dry cooling (Section 3.3.1) is already being implemented in some CSP power plants around the world, including the Ain Beni Mathar CSP-CC power plant in Morocco (Abengoa Solar, n.d.).

During the period 2000–2010, electricity generation from wind grew by 27% and from solar PV by 42% per year on average (IEA, 2012a). While hydropower and geothermal electricity produced at optimal sites are still among the cheapest ways of generating electricity, the levelized\(^{12}\) cost of electricity is declining for wind, solar PV, CSP and some biomass technologies (IRENA, 2013). Wind and solar power are expected to continue expand rapidly over the next 20 years (IEA, 2012a).

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\(^{12}\) The ‘levelized cost of energy’ is the constant price per unit of energy that causes the investment to break even.

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**TABLE 3.3 Economically feasible hydropower potential, installed capacity and power generation by region**

<table>
<thead>
<tr>
<th>Region</th>
<th>Economically feasible hydropower potential (GWh/year)</th>
<th>Installed hydrocapacity (MW)</th>
<th>Hydro generation in 2011 or average/most recent (GWh/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>842 077</td>
<td>25 908</td>
<td>112 163</td>
</tr>
<tr>
<td>Asia</td>
<td>4 688 747</td>
<td>444 194</td>
<td>1 390 800</td>
</tr>
<tr>
<td>Australasia/Oceania</td>
<td>88 700</td>
<td>13 327</td>
<td>39 394</td>
</tr>
<tr>
<td>Europe</td>
<td>842 805</td>
<td>181 266</td>
<td>531 152</td>
</tr>
<tr>
<td>North America</td>
<td>1 055 889</td>
<td>140 339</td>
<td>681 496</td>
</tr>
<tr>
<td>South America</td>
<td>1 676 794</td>
<td>140 495</td>
<td>712 436</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td><strong>9 195 041</strong></td>
<td><strong>975 528</strong></td>
<td><strong>3 467 440</strong></td>
</tr>
</tbody>
</table>

In a study comparing various sources of renewable energy in terms of environmental and social impacts, wind power turned out to be the most sustainable, mainly because of its low GHG emissions and water consumption (Evans et al., 2009). Wind and solar PV consume negligible amounts of water, yet they provide an intermittent service that needs to be compensated for by other sources of power (which do require water) to maintain load balances on larger grids. Climate information is critical for the safety and basic operations of these renewable energy sources (as well as hydropower) to ensure consistency and cost-effectiveness of power generation.

3.3.5 Geothermal power

Although geothermal power plants have been reported to generally use and consume less water per kilowatt-hour of lifetime energy output than other electric power generation technologies (Clark et al., 2010), actual water requirements are highly variable from site to site (Figure 3.8) based on well depth and technology used, among other factors.

The relative growth in wind and solar energy has in recent years outstripped that of geothermal energy, reflecting strong investment for research and development in those sectors. In contrast to wind and solar power plants, however, geothermal power plants are well suited to producing a balanced and highly efficient electrical base load (van der Gun et al., 2012).

[See Chapters 22 and 29 (Volume 2) for the case studies ‘A science-based tool for integrating geothermal resources into regional energy planning in Umbria, Italy’ and ‘The use of and prospects for geothermal energy in Turkey’.]

Considering the average thermal gradient of Earth, the potential for developing low to medium temperature geothermal resources (from a few degrees above ambient temperature to 150°C) for direct thermal uses is present in most parts of the world. High temperature resources capable of electricity generation (ranging from 150°C to more than 300°C) being linked to crustal thermal anomalies are rarer. They have been identified in some 90 countries, and quantified records of their utilization exist for 79 countries. Geothermal electricity is generated in 24 countries, providing a significant proportion (5% to 26%) of the national electricity balance in nine of them. Ten developing countries are among the top 16 countries in geothermal electricity production (Bertani, 2012) (Figure 3.11).

**Worldwide installed capacity for geothermal electricity in 2010**

![Map showing worldwide installed capacity for geothermal electricity in 2010](image)

Note: Worldwide total: 10.9 GW. Source: Bertani (2012, fig. 2, p. 3).
As described throughout this chapter, water can play either a beneficial or a detrimental role in the viability of energy production options. It is therefore vital to take account of the water implications of different options when developing energy policy. Changes to the energy mix are not occurring in the same way globally. Trends can be differentiated for the power sector and transportation fuels sector. The energy mix is constantly evolving, determined in large part by national energy policy, which is itself influenced by markets, technologies and (often to a lesser extent) social and environmental concerns.

In the transportation fuels sector, much of the world is moving away from conventional petroleum-based fuels (petrol and diesel, relatively water-lean to produce). Many nations are selecting more water intensive options, such as unconventional fossil fuels (from hydraulic fracturing, coal-to-liquids or oil sands), biofuels and electricity. Even electric powered transportation is water intensive because of water requirements at the power plant. The USA initiated a major policy priority in 2007 of moving towards increased use of biofuels, with additional policy support for gas and liquids produced from hydraulic fracturing, both of which are relatively water intense. While the EU is revisiting its biofuel policies, biofuels remain a priority and a non-negligible portion of the fuel mix in Europe.

In the power sector, some regions are moving towards more water intensive options while others are moving towards less water intensive choices as different nations pursue different paths. Planned and possible phase-outs and reductions in nuclear power may lead to more or less water intensive alternatives, including renewables and natural gas. Much of the Asia-Pacific region and South America is moving towards a large build-up of hydroelectric power (Chapters 11 and 13). New reservoirs might increase consumption (due to increased evaporation), but might also increase water availability for other uses because of large-scale storage capacity. China is moving aggressively to ramp up its coal production, which can be water intensive at the power plant and in the mining process (Box 3.3). China, along with India and the Middle East, is also moving towards increased nuclear power production. The USA is moving away from coal towards natural gas and wind and solar energy, which will reduce the water intensity of its power production.

3.4.1 Competition over scarce water supplies: The emerging challenge of thermal power generation
The abstraction of water for cooling purposes by thermal power stations is high and rising across many regions
and countries of the world. This is especially so in the countries of Europe and in China, India and the USA. This has triggered concern in the US Administration (US GAO, 2009). Concern is also spreading about the compatibility of China’s energy plans with its water availability (IEA, 2012a, ch. 17; Larson, 2010, 2012).

A common view is that raw water drawn for thermal power and industrial cooling purposes is non-consumptive, because nearly all of it is returned to public water bodies for use by other sectors. For the most common forms of cooling (once-through/open-loop), large volumes of water are abstracted, but only a small percentage is actually consumed (Section 3.3.1).

Concerns about the use of water by thermal power stations centre on several key issues. First, the release of large volumes of heated water from open-loop power plants into natural watercourses affects fish and other wildlife, which raises environmental concerns (Section 9.2.4). Second, the abstraction, transport, storage and release of the cooling water can be highly disruptive for other local water users. Third, for the alternative, closed-loop thermal power stations, consumptive use is much higher – 50% or more (Kenny et al., 2009). This cooling technology is spreading, especially in water scarce areas.

The water footprint of thermal power generation extends to its main source of primary energy – whether coal, oil or gas.\textsuperscript{13} For countries such as China and India, where a high proportion of electricity is from coal-fired power stations (80% in China), the water required for coal mining operations (Figure 3.1) is a major additional factor to be considered.

\textbf{In the transportation fuels sector, much of the world is moving away from conventional petroleum-based fuels (petrol and diesel, relatively water-lean to produce). Many nations are selecting more water intensive options, such as unconventional fossil fuels (from hydraulic fracturing, coal-to-liquids or oil sands), biofuels and electricity. Even electric powered transportation is water intensive because of water requirements at the power plant.}

It is unrealistic and unfair to expect all the adjustment to fall on a single water user, such as thermal power generation. Actions by other major water users are necessary too. As described in Part 2 of this report, there is major scope for reducing the water footprints of agriculture, industry and cities as well. However, with energy (and thermal power in particular) expected to be the fastest growing water demand sector over the next few decades, it is imperative that the water implications of energy options such as thermal power are taken into consideration.

\textsuperscript{13} Nuclear power is a special case.
This chapter focuses on data issues directly related to the water–energy nexus.\textsuperscript{14}

Generally speaking, aggregated data on energy are available with much greater fidelity and abundance than are data on water.

Top-level annual estimates for energy consumption by fuel exist at the national level for most countries, allowing for informed decision-making in terms of energy policy as well as for financial, economic, environmental and welfare policy, among others. In addition, because some forms of energy – namely oil, gas and coal – have a global market, trade statistics are available that can be used to track global production and consumption by country. The World Bank and IEA track top-level statistics based on energy trade, as does the British Petroleum Statistical Review. No such market-related parallel exists for water.

In the industrialized countries, data are also available on a frequently updated basis (weekly for petroleum, monthly for electricity and other forms of energy) for energy production and consumption according to fuel type and end use. This provides these countries with a net competitive advantage over developing countries that may not have the governmental structures or capacities necessary for such systematic data collection and analysis. Even where energy data are collected in great detail, however, the resolution and extent of the data are not aligned with water data. From a water management point of view, it is important to know whether, for instance, desalination is done using fossil fuels or solar energy.

For water resources, monitoring availability and use represents an immense and ongoing challenge, especially given their variable distribution over time and space. Traditional statistics assessing the relative water intensity of major water uses (domestic, industry, agriculture) are often unsatisfactory when one is interested in the final goal of allocating water resources to different sectors. This is especially unsatisfactory regarding energy, which appears to account for 75% of all industrial withdrawals (Section 2.2). There are often too few metrics upon which to make informed decisions or to track any outcomes of water productivity improvement measures. In many cases, relevant water datasets may be non-existent, out of date, limited or filled with errors. And when available, water use statistics are generally limited to gross water withdrawals, while it is often more relevant to know the net water consumption.

Lack of data puts water resources management at a political disadvantage in terms of priority decision-making. While energy may be perceived as 'big business' (Section 1.3.2), the central role of water in socio-economic development remains under-acknowledged (WWAP, 2012). As a result, many of the decisions made and implementation mechanisms adopted with respect to energy (e.g. improved efficiency, economic growth, enhanced service coverage or benefitting the impoverished) fail to take proper account of the impact of these actions on water resources or the different benefits to other water users.

Water and energy use accounts offer a limited means for understanding the critical links between the water and energy domains. An often-overlooked issue in the water-for-energy debate is whether water requirements are expressed per unit of gross or net energy output. For example, existing agricultural water use statistics make it hard to determine how much water is actually used

\textsuperscript{14} For a detailed discussion of data availability on water resources and their use, see WWAP (2009, ch. 13 and 2012, ch. 6).
for the production of biofuel crops, where the energy input in production is often substantial compared with the energy output, so the water footprint per unit of net energy output can easily be a multiple of the water footprint per unit of gross energy output (Gerbens-Leenes et al., 2009).

Decisions about water and energy allocation, production and distribution between different users and uses have important social and gender equality implications, and impact on the resources available at community levels. Monitoring progress requires the generation and analysis of gender-disaggregated data, which considers not only the existence of differences between men and women, but also the causes and impacts of these differences.

The coordinated approaches to water and energy called for throughout this report require the generation and harmonization of data concerning the supply and use of water and energy production. A more detailed set of water accounting statistics describing different water uses within sectors, including energy, would facilitate decision-making and help ensure that water resources are allocated to the most appropriate uses. Although estimating water consumption for different types of energy production can be quite challenging, time consuming and error-prone, this knowledge is fundamental to ensuring energy security where water availability can be a limiting factor.

### 4.1 Key indicators relating to water and energy

Information forms the basis of the United Nations World Water Development Report. Because raw data can be viewed from varying perspectives and interpreted subject to varying perceptions, indicators are indispensable tools for establishing a common ground when examining status, measuring progress and planning targets. While data availability and quality remain a concern for water professionals and decision-makers in associated sectors, the importance of indicators based on best possible data cannot be overestimated.

This fifth edition of the Report presents a Data and Indicators Annex (DIA) of 41 indicators (see the summary listing in this chapter and the Annex [in Volume 2] for the full entries of charts and tables). These indicators have been selected because they benchmark actual conditions and highlight trends related to water and energy, and thus enrich the Report. Taken together, the indicators also serve to present complex information in a meaningful but understandable manner for both decision-makers and other stakeholders, and it is hoped they will allow for informed, rational decisions to be made.

### Data and Indicators Annex of the WWDR 2014

#### Demographics
- I-1: Demographic projections
- I-2: Urban and rural populations by development group (1950–2050)

#### State of freshwater resources
- I-3: Total actual renewable water resources per capita (2011)
- I-4: Total actual renewable water resources per capita: Trends and projections
- I-5: Annual average monthly blue water scarcity in the world’s major river basins (1996–2005)

#### Water demand
- I-6: Water withdrawal by sector (around 2006)
- I-7: Water demand at the global level and in country groups (Baseline Scenario 2000 and 2050)

#### Human well-being
- I-8: Population using solid fuel for cooking and without access to electricity, improved water and sanitation in a selection of countries

#### Energy
- I-10: World total primary energy supply by source
- I-11: World primary energy demand: Trends and projections
- I-12: Trends in electricity generation in the world and in selected countries (1971–2012)
- I-13: Trends in world electricity generation by energy source

**Top-level annual estimates for energy consumption by fuel exist at the national level for most countries, allowing for informed decision-making in terms of energy policy**
Lack of data puts water resources management at a political disadvantage in terms of priority decision-making

I-15: Share of people without electricity access in developing countries (2011)
I-16: Global electricity access rate: Trends and projections
I-17: Energy consumption per capita (2010)

Dams and hydropower
I-19: Use of dams by purpose
I-20: Total dam capacity per capita by region (around 2010)
I-22: Trends in hydropower production in selected regions and countries

Water <-> Energy
I-23: Global water use for energy production by scenario
I-24: Energy requirement to deliver 1 m³ water safe for human consumption from various water sources
I-25: Indicative energy use of municipal water and wastewater services
I-26: Energy requirements and cost implications of desalination by technology
I-27: Global cumulative contracted versus commissioned daily desalination capacity (2013)
I-29: Water footprint of energy generation by fuel
I-30: Water use for electricity generation by cooling technology

ISO certification
I-32: ISO 50001 certification on energy management

Geothermal electricity
I-34: Worldwide installed capacity for geothermal electricity generation (2010)

Bioenergy
I-36: Indicative yields and water requirements for some major biofuel crops
I-37: Global total final energy consumption versus share of renewable energy

Water and energy in national policy
I-38: The importance of water for energy
I-39: Perceived change over the past 20 years in the importance of water for energy
I-40: National energy policy/strategy/plan with water resources management component
I-41: Infrastructure development and mobilizing financing for energy/hydropower
PART 2 THEMATIC FOCUS

CHAPTERS
5. Infrastructure
6. Food and agriculture
7. Cities
8. Industry
9. Ecosystems
5.1 Infrastructure and development

Between 2013 and 2015, annual economic growth is estimated to be around 6% in developing countries and around 2% in higher-income countries (World Bank, 2013a). As economies grow and diversify, they experience competing demands for water to meet the needs of more municipal and industrial uses, as well as agriculture. However, many people in the world still lack access to basic water and energy services (Section 1.1). Closing the energy gap could generate additional pressures on water resources given that water is needed for fuel extraction, for cooling and other processes in thermal power plants, and for turning turbines in hydropower plants (Chapter 3). Moreover, climate change can exacerbate already stressed energy and water scenarios through events such as extreme weather conditions and prolonged drought periods (Section 12.3).

A lack of adequate infrastructure undermines living standards and limits the growth potential of developing countries (Rodriguez et al., 2012), yet infrastructure expansion often comes at the expense of the local environment and has complicated responses to long-term challenges, including climate change (Toman et al., 2011). Planning, building and maintaining infrastructure is a real challenge, as it requires lump-sum up-front outlays with a high risk of lock-in effects. However, much research indicates a clear positive linkage between infrastructure services (including water and energy) and economic development, poverty reduction and improvement of broader development goals, such as the MDGs (Figure 5.1) (World Bank, 2004). The relationship between infrastructure and development is complex, as more infrastructure does not necessarily entail more growth. Growth and development are also influenced by factors such as the nature of regulatory standards and economic incentives for reducing environmental degradation, availability and affordability of technologies, and availability of complementary knowledge and skills, as well as broader issues of institutional capacity and governance (Toman et al., 2011).

Large infrastructure investments in Africa have catalysed growth, helping many African countries catch up to middle income countries in terms of development (World Bank, 2012a). However, many countries still have a serious shortage of key infrastructure services and the existing ones are often of poor quality or under-maintained. To improve access and quality of infrastructure services and to meet fast-growing future demand, a substantial amount...
of investment and operation and maintenance (O&M) spending is required. Infrastructure gaps exist in the majority of countries, however, the gap is especially large in low income countries (Figure 5.2).

Estimates suggest that developing countries will require US$1.1 trillion in annual expenditure through 2015 to meet growing demand for infrastructure (World Bank, 2011). This is more than double their $500 billion annual spending (Qureshi, 2011). These estimates are even higher if climate change mitigation and adaptation strategies are incorporated. Funding gaps threaten economic growth and could lead to an increase in the number of people living in poverty. Regarding energy infrastructure, the IEA has estimated that nearly $1 trillion in cumulative investment (€49 billion per year) will be needed to achieve universal energy access by 2030 (IEA, 2012a). It also concludes that in a business-as-usual scenario, one billion people will remain without access to electricity by 2030.

Investment requirements for water infrastructure are even higher. For developing countries alone, it has been estimated that $103 billion per year are required to finance water, sanitation and wastewater treatment through 2015 (Yepes, 2008). Middle income countries such as Brazil, China and India are all already committing considerable resources to develop their infrastructure.

Traditionally, most infrastructure services have been provided by the public sector. It is estimated that 75% of water infrastructure investments in developing countries comes from public sources (Rodriguez et al., 2012). Nevertheless, given the infrastructure financing gap, the public sector alone cannot provide enough funding to satisfy the needs of the increasing demand for services. Private capital must be involved to close the gap. Private investors are, however, usually reluctant to invest in infrastructure projects, including those relating to water and energy, due to the risks involved such as a long pay-off period, lumpy investments and the sunk nature of the investment. When they do invest, they prefer to work in middle income countries where the risk is lower and capacities are high, leaving low income countries dependent on volatile public budgets and donor commitments. There is a need for an environment that enables private investment in infrastructure in tandem with the public sector to promote sustainable service delivery, especially in the poorest countries. Such an environment includes, among other features, coordinating efforts by the private sector, governments and international institutions; enhancing capacity-building of local institutions; improving public spending and its monitoring; and reducing investment inefficiencies and helping utilities to move towards cost recovery.

Tools governments can use to attract and leverage private financing include public expenditure reviews and results-based financing (Rodriguez et al., 2012). International organizations have an important role in fostering mutually beneficial public–private partnerships, enabling the implementation of sound governance frameworks, and promoting sustainable and integrated planning so that future infrastructure is lower in maintenance, less expensive and more efficient. Given the limited resources and the size of the financing gap (which, although significant for energy, is far greater for water), it is crucial to ensure that investments are as efficient and as cost-effective as possible. Spending efficiency is a chronic problem in many developing countries. Recent work by the IEA (2010) suggests that in 2008, energy consumption subsidies added up to more than US$550 billion globally, but much of it was not properly targeted and provided limited benefits to the poor (Toman et al., 2011). It is important to explore innovative approaches to spending efficiency, such as cross-sector cooperation to leverage possible synergies, integrated planning for water and energy to decrease costs and ensure sustainability, trade-off assessment at the national level, demand-side interventions and decentralized services.
Investment requirements for water infrastructure are even higher [than for energy infrastructure]. For developing countries alone, it has been estimated that $103 billion per year are required to finance water, sanitation and wastewater treatment through 2015.

5.2 Opportunities for synergies in water and energy infrastructure

An array of opportunities exists to co-produce energy and water services and to exploit the benefits of synergies. However, the current political and economic incentive system still favours independent sectoral outcomes over cross-sectoral results. Sustainable solutions require a systems approach of integrated solutions rather than addressing issues in isolation. Water and energy issues should be addressed holistically, as the optimal solution for one can have negative impacts on the other. Such common solutions can be achieved only if there is communication between sectors, and if the right incentives are in place. In addition to new technical solutions, new political and economic frameworks need to be designed to promote cooperation among sectors and integrated planning.

For example, given the different uses of dams, hydropower sustainability can be improved through integrated water and energy planning and management. Most thermal power plants require large amounts of water to dissipate the excess produced heat (‘waste heat’) to the environment (Section 3.3.1). Therefore, the siting of power plants should take into account their interaction with water resources, water facilities and other sectors that compete for water supplies. There are also ways to utilize waste heat and thus decrease the amount of water needed for cooling, as explained in examples below. Wastewater treatment plants can generate energy from sludge produced at the plant. Another opportunity to mitigate nexus trade-offs is to improve water and energy efficiency and conservation. Improving efficiency in the water domain saves energy for treatment and supply and therefore reduces the amount of water needed by the power sector. When the power sector shifts towards a more efficient operation, less water is used as less waste heat will have to be dissipated. Thus, policies and integrated plans that encourage energy and water conservation can reduce future energy and water requirements.

5.2.1 Combined power and desalination plants

Combined power and desalination plants (also known as hybrid desalination plants) are an example of integrated infrastructure to produce drinking water and electricity. This solution is especially suited to extreme arid areas such as the Middle East, where there is very little water available and where desalination is likely to expand (Chapter 12). Examples of hybrid desalination plants are the Fujairah plant in the United Arab Emirates and the Shoaiba plant in Saudi Arabia.

Desalination is a more energy intensive process than traditional water treatments (Section 2.3). Despite this, desalination might be necessary in some regions of the world to meet the growing demand for industrial and domestic water supplies. Hybrid desalination plants use an innovative process to integrate desalination with thermal power generation, which improves efficiency and lowers the electricity cost of desalination processes. Waste heat from the power plant (steam) is used as the heat source for the desalination process.

Integrated water and energy production has several benefits. First, waste heat becomes a useful part of the process, decreasing the volume of water required for cooling purposes in the plant. Second, the cost of desalinating water decreases, making it more economically attractive, and the integrated system is more efficient than the stand-alone option (a separate power plant and a separate desalination plant) (Pechtl et al., 2003). However, there are also disadvantages. The integrated system is more complex to operate, mainly due to seasonal variability. During winter, demand for electricity can decrease (in warmer climates) while demand for water can remain relatively constant all year long. Demand variability can be managed, but when the two demands are not aligned, the system runs below maximum efficiency.

5.2.2 Alternative water sources for thermal power plant cooling

Thermal power plants require water mainly for cooling. The quality of this water does not need to meet drinking water standards, so there is a potential to explore alternative non-freshwater sources that could be used for the purpose. Although using alternative water sources can
be challenging (e.g. cost will vary depending on location of the source and quality of the water), this option has a great potential to reduce freshwater use. One widely used alternative source is seawater, but this option only works if the power plant is located on the coast. Another option, relevant to the integration of water and energy infrastructure, is the use of wastewater for cooling.

Wastewater usually contains many polluting substances such as soaps, organic matter, oils and chemicals. The treatments necessary to meet the water quality standard to avoid corrosion and other undesired effects in the cooling system can be expensive and sometimes complex. In some countries, power plant operators need to obtain permits to use reclaimed water for cooling, which can be a burden. However, in those same countries, wastewater treatment plants are often required to pre-treat municipal water before discharging it back to the source, usually to at least secondary treatment standards. This makes wastewater an attractive option for cooling. Although additional treatments might be required before running the wastewater through the cooling system (e.g. sand filtration, coagulation and chlorination), these processes are widely used in water treatment plants around the world (Veil, 2007).

One important advantage of wastewater for cooling is that it is a source available all around the world, particularly in large cities. Securing wastewater from a nearby wastewater treatment plant could reduce future uncertainty and ensure a reliable, continuous water source for the power plant. Even if initial capital investment is high, it can make economic sense in the long term. This integrated solution is already being used in some countries. In the USA, wastewater is used for cooling in 50 power plants including Palo Verde in Arizona, the largest nuclear power plant in the country. Water is a scarce and valuable resource in Arizona and the power plant uses wastewater from several large cities as its only cooling source. The wastewater is piped in and re-treated on-site before use. Once run through the cooling system, the wastewater is transported to a pond where it evaporates. The power plant has recently secured 98.4 million m³ wastewater per year until 2050 (Averyt et al., 2011). An important barrier to implementing this solution worldwide is that many developing countries lack sanitation infrastructure. However, this option presents a great opportunity to plan integrated water and energy infrastructure in the future and avoid the lock-in inefficiencies of developed countries.

5.2.3 Combined heat and power plants

Combined heat and power (CHP) plants (also known as cogeneration plants) integrate power and usable heat production into a single process. Whereas in conventional power plants half or more of the produced heat (on average) gets lost as waste heat (dissipated into the environment through the cooling system), in CHP plants the heat is usually used for district heating as steam or hot water. CHP plants can be implemented with most fuel sources (natural gas, coal, solar thermal), allowing them to be adapted to any environment, though different plants will achieve different efficiencies.

An important advantage of CHP plants is that an integrated power and heat generation process tends to be more efficient than the two stand-alone processes (Figure 5.3), thus decreasing GHG emissions and diminishing water requirements. The combined efficiency of the heat and power processes (total energy output by energy input) can reach as high as 90% (IEA, 2008a). CHP plants rely on existing and well-known technologies and are used in many parts of the world. In Denmark about 50% of the total power generated is produced in CHP plants (IEA, 2008a). Another recent example is the city of Boston, where the Kendall power plant, which already sends heat to the Massachusetts General Hospital, will send additional heat to Boston to avoid regulatory problems due to water intake and discharges (Daley, 2011).

5.3 Sankey diagram of combined heat and power (CHP) and conventional power plants

The biogas produced in wastewater treatment plants (Figure 5.4) comprises primarily methane (CH\(_4\)) and carbon dioxide (CO\(_2\)) and is produced by anaerobic digestion or fermentation of biodegradable materials such as sewage, manure, human municipal solid waste and green waste. Biogas can be sold as gas for heat and cooking, as vehicle fuel or as fuel for a power plant, or can be burnt on-site to produce electricity and heat for the treatment plant (Box 16.3). The remaining sludge can be sold as fertilizer for agriculture purposes, which makes this practice economically viable in the long term depending on the price of gas and fertilizer. There are several environmental benefits: biogas can replace fossil fuels (e.g. natural gas, coal for cooking), thereby reducing GHG emissions; and given the reduction in sludge volume after digestion, landfill lifespan can be extended.

There are several examples of this integrated water and energy solution throughout the world. The size of wastewater treatment plants with anaerobic digesters varies considerably, with important economies of scale in terms of both cost and energy consumption. La Farfana wastewater treatment plant treats urban water from 50% of the population of Santiago, Chile (population equivalent of 3.7 million people), and produces around 24 million m\(^3\) per year in biogas (Degrémont, n.d.). This biogas is sold to the gas utility company (Metrogas) and directly replaces natural gas being used in households, benefiting around 100,000 people in the metropolitan area (Aguas Andinas, n.d.). There are also examples of smaller scale decentralized biodigester projects; for example, in India (Müller, 2007), where the biogas is used for cooking.

Biogas generated can also be burnt on-site in a CHP plant to generate both heat and electricity in a highly efficient process (discussed earlier). The heat produced by the CHP plant is used in the digester to dry the sludge and for space heating the plant facilities, and the power is used in the plant or sold to the grid. All or most of the plant power needs can be met by electricity generated at the plant, and thermal requirements of the biodigesters can be met by heat generated at the plant, which reduces costs by displacing fuel purchasing. Depending on local electricity prices, the CHP plant can produce electricity below retail cost, which can create a compelling case for private investors. Having its own decentralized power source also enhances plant reliability, which is important.
in areas that experience frequent power outages. Biogas is a ‘green’ energy source and therefore generating power and heat from burning it can potentially reduce GHG emissions and other air pollutants (if it replaces fossil fuels). Due to its benefits, implementation of CHP plants at wastewater treatment plants is growing in popularity as a way to reduce environmental impacts and increase efficiency. In the USA, there are 104 wastewater treatment plants using biogas to produce a total of 190 MW capacity (US EPA, 2011).

5.3 Moving forward
The complex interlinkages between water and energy systems requires a more systematic approach that takes into account the multiple interactions and relationships between domains, and explores strategic complementarities and potential synergies across all sectors. Energy and water planning must be better integrated to optimize investments and avoid inefficiencies. Similarly, cross-sectoral implications need to be better understood. In addition to taking water constraints in the energy sector into account when undertaking power expansion plans, there are many opportunities for joint development and management of water and energy infrastructure and technologies, maximizing co-benefits and minimizing negative trade-offs. When assessing the needs of the energy sector, water planners and decision-makers must fully understand the requirements of electricity generation and fuel extraction technologies and their potential impact on the resource. Similarly, energy planners and investors must take into account the complexities of the hydrological cycle and other competing uses when assessing plans and investments. One way of ensuring robust planning efforts is by implementing technical approaches and reforming governing institutions. Technical approaches may include (but are not limited to) the ones described in this chapter. Institutional reform requires integrated planning and cross-sectoral communication to bolster efforts to mitigate inefficiencies in the energy–water nexus, and must be achieved before technical solutions can be successfully adapted. An integrated energy and water planning approach can ensure that both resources are developed sustainably, and that synergies are explored more effectively. Meeting future demands requires innovative approaches that encourage cross-sectoral cooperation and help to better assess water and energy trade-offs at the national and regional levels.

When assessing the needs of the energy sector, water planners and decision-makers must fully understand the requirements of electricity generation and fuel extraction technologies and their potential impact on the resource. Similarly, energy planners and investors must take into account the complexities of the hydrological cycle and other competing uses when assessing plans and investments.
6.1 The water–energy–food nexus

Water, energy and food are inextricably linked. Water is an input for producing agricultural goods in the fields and along the entire agrifood supply chain. Energy is required to produce and distribute water and food: to pump water from groundwater or surface water sources, to power tractors and irrigation machinery, and to process and transport agricultural goods. Agriculture is currently the largest user of water at the global level, accounting for 70% of total withdrawal. The food production and supply chain accounts for about 30% of total global energy consumption (FAO, 2011b).

There are many synergies and trade-offs between water and energy use and food production. Using water to irrigate crops might promote food production but it can also reduce river flows and hydropower potential. Growing bioenergy crops under irrigated agriculture can increase overall water withdrawals and jeopardize food security. Converting surface irrigation into high efficiency pressurized irrigation may save water but may also result in higher energy use. Recognizing these synergies and balancing these trade-offs is central to jointly ensuring water, energy and food security. This chapter considers the implications of water and energy for food security by focusing on irrigation, hydropower and biofuels.

6.2 The effects of increasing food demand on water and energy

An estimated 870 million people are undernourished due to a lack of food or a lack of access to food (FAO, 2013a). Demographic projections suggest that world population will increase by a third – to 9.3 billion – by 2050 (UNDESA, 2012). Most of this increase will occur in developing countries, where population growth will be coupled with rising incomes, urbanization and climate change to place considerable pressure on national and global food systems. Estimates suggest that global food production will need to increase by as much as 60% by 2050 to meet demand (FAO, 2012). Achieving such a dramatic increase is a formidable challenge.

Agriculture currently uses 11% of the world’s land surface, and irrigated agriculture uses 70% of all water withdrawals on a global scale. Rainfed agriculture is the predominant agricultural production system around the world, and its current productivity is, on average, little more than half the potential obtainable under optimal agricultural management. Water scarcity and decreasing availability of water for agriculture constrain irrigated production overall, and particularly in the most hydrologically stressed areas and countries. As many key food production systems depend on groundwater, declining aquifer levels and the depletion of non-renewable groundwater put local and global food production at risk (Section 2.4). Increasing food production is not, on its own, sufficient to achieve food security and eradicate hunger. Hunger can persist in the midst of adequate national and global food supplies. Efforts to promote food production must be complemented by policies that enhance household access to food, either by creating employment and income opportunities or by establishing effective safety net programmes. The experiences of countries like Brazil and China, which have undergone strong economic growth and succeeded in significantly reducing hunger and malnutrition, show that economic growth alone does not automatically ensure food security – the source of the growth matters too, along with the distribution of the economic gains and social benefits. Growth originating in agriculture, in particular in the smallholder sector, is at least twice as effective as growth in
non-agricultural sectors in benefiting the poorest members of society in rural areas (FAO, 2009a).

Access to modern energy services is extremely problematic for households in many developing countries, particularly in rural areas. The IEA estimates that one-fifth of the world’s population lacks access to electricity and that two-fifths rely on traditional biomass for cooking – a cause of severe indoor air pollution, which affects women in particular (Table 1.1). Rural electrification can address these issues and boost rural economies, in turn increasing household food security. It also frees up time spent by household members – mostly women and girls – in collecting the biomass. To meet rising household energy demands, an especially difficult challenge in rural areas, new energy sources must be found that are technically, economically and environmentally viable (Box 6.1).

6.3 Water for energy and the linkages to food security

Hydroelectricity generation is one way to help meet future energy demands. Multi-purpose dams can provide energy as well as water for irrigation and flood management. However, water demand for energy production can be in conflict with water demand for agriculture. In Central Asia, dams in the mountains of Kyrgyzstan and Tajikistan once collected water in autumn and winter that was released in spring and summer to irrigate cotton and wheat in Uzbekistan, Turkmenistan and Kazakhstan. Upstream countries were compensated for this water by cheap oil and gas from downstream countries. However, rising energy prices made it beneficial for upstream countries to generate more hydropower in winter by releasing water that could not then be used for irrigation. As a result, downstream countries, maintaining the same crop and production patterns, had insufficient water in summer to satisfy agricultural demand. Dam and reservoir management procedures, cropping patterns, irrigation practices and compensation packages that are agreeable to all countries involved have not yet been achieved (FAO, 2013b). There are concerns that this situation may prompt nations like Uzbekistan to start considering alternative water sources for irrigation, such as groundwater (Karimova et al., 2010).

The benefits of hydropower generation do not always flow to the people who depend on rivers for their livelihoods (WCD, 2000). The creation of reservoirs has displaced millions of people throughout the world. Damming rivers to produce energy can have adverse impacts on important

As groundwater irrigation, in general, provides greater flexibility than other types in responding to fluctuating water demands, its relative importance is likely to increase in the future

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**Renewable energy technologies for improved irrigation efficiency help women farmers**

Renewable energy technologies are already helping communities, women and men, to meet water, fuel and food security needs in clean and cost-efficient ways. In Mozambique, the UN Joint Programme on Environmental Mainstreaming and Adaption to Climate Change (UNEP, UN-HABITAT, UNIDO, WFP) supported the installation of renewable energy systems for water, irrigation and electricity in seven different communities, and built the capacities of community members to maintain the systems. By providing marginalized communities with renewable energies and clean, accessible drinking water, women’s lives were transformed by lessening the burden of fetching unsafe water and increasing opportunities for income generation and other pursuits. Due to the project’s very positive impact, the Government of Mozambique and the National Energy Fund (FUNAE) have replicated its best practices and have rolled out the initiative in other rural communities (see http://mdgfund.org for more information). Another example is the Solar Electric Light Fund’s (SELF) Solar Market Gardens in Benin that use solar-powered drip irrigation systems to help women farmers in remote, arid regions grow crops during the dry season. With drip irrigation – a proven efficient and labour-saving technology that delivers water directly to plant roots and facilitates simple and uniform fertilizer application – farmers can achieve higher yields over larger areas with less water and labour. The initiative reduces greenhouse emissions while allowing women farmers to increase their income and improve food security for their families (see http://self.org for more information).

Source: UN Women.
inland fisheries by changing water flow rates and timing, fragmenting habitat and disrupting fish migration routes (Section 9.2). These issues are becoming more apparent in many river basins; the Lower Mekong is a notable example. Changing a riparian environment to a reservoir changes the community of fish in the water body. Although the fish in reservoirs can be harvested and reservoir fisheries developed, compensation for the loss in yield from river fisheries can be difficult to achieve (Marmulla, 2001). However, reservoirs can have advantages over rivers as aquaculture facilities. Fish farming in floating cages in lakes and reservoirs is an effective way to use hydroelectric dams for the direct production of food. Cage farming can help compensate farmers and fishers for losses after the building of dams.

6.4 Energy use in agrifood systems
Estimates are that the food sector currently accounts for about 30% of the world’s total end-use energy consumption, and that more than 70% of that energy is used beyond the farm gate (FAO, 2011b). Figure 6.1 illustrates the percentage beyond production for processing, distribution, retail, preparation and cooking in countries grouped by Gross Domestic Product (GDP). Developed countries use a greater portion of this energy for processing and transport; in developing countries, cooking consumes the highest share.16

On an annual basis, the direct energy demand of primary production is about 2,200 TWh, which equates to less than 2% of total end-use energy consumption (FAO, 2011b). On-farm direct energy demand is about 1,700 TWh, and is used mainly for pumping irrigation water, housing livestock, and cultivating, harvesting, drying and storing crops (OECD, 2008, ch. 1, section 1.4, 'Energy'). Indirect energy demands for operating tractors and other farm machinery as well as for fertilizer manufacturing is about 2,500 TWh (UK GOS, 2011). The synthesis of nitrogenous fertilizers alone consumes approximately 1,400 TWh. Global primary production in fisheries directly consumes about 550 TWh of total final energy annually, mainly for boat propulsion, pond aeration and water pumping (Muir, 2010; FAO, 2009b). Indirect energy embedded in aquaculture feedstuffs is about 140 TWh (Smil, 2008). These figures illustrate how heavily dependent agriculture is on the energy sector.

Powering the pumps on a total of 300 million irrigated hectares consumes around 62 TWh/year. Manufacture and delivery of irrigation equipment consumes another 62 TWh (Smil, 2008). The 112 million ha or so globally that are irrigated by groundwater account for most of the energy used for irrigation. As groundwater irrigation, in general, provides greater flexibility than other types in responding to fluctuating water demands, its relative importance is likely to increase in the future.

Groundwater for irrigation can be withdrawn from both shallow and deep aquifers. Where extraction rates from shallow groundwater stores exceed recharge rates, water abstracted from greater depths, pumped by energy intensive electric pumps, will likely become more important. Avoiding groundwater depletion, through sustainable groundwater management, can lead to long-term cost and energy savings (Section 2.3).

15 In this context, ‘food sector’ concerns those parts of ‘agriculture’ in the broad FAO sense; that is, agriculture, forestry and fisheries that produce food as well as the food processing, distribution, retail, preparation and cooking phases.

16 For a comprehensive examination of water use, see WWAP (2012, chs 2, ‘Water demand: What drives consumption’ and 18, ‘Managing water along the livestock value chain’).
6.5 Biofuels, water and food security linkages

Biomass can be used to produce a range of fuels that can be used for heating, power generation and transport (Section 3.2.2). Biofuels have, in certain contexts, the potential to provide a cleaner alternative energy source to fossil fuels. Many developing countries have considerable prospects to raise agricultural productivity, and biofuels could help achieve broader rural development. Bioenergy investments can be arranged so that they not only generate profits for investors, but also involve smallholders, thereby creating jobs, improving livelihoods and reducing poverty in rural areas. Feedstock production through a combination of large-scale plantation farming and smallholder outgrower schemes is an example of such an arrangement. Smallholder outgrower schemes used to produce biofuel crops can also benefit other crops if they deliver modern seed material and agro-chemical inputs, improve farming practices and provide marketing support.

Optimism over biofuels is tempered by concerns over their economic viability and their implications for socio-economic development, food security and environmental sustainability (Section 9.2.2). Although bioenergy investment can improve income, employment and market access, it can have negative consequences for traditional land tenure arrangements. This is particularly the case

6.1 Indicative yields and water requirements for some major biofuel crops

<table>
<thead>
<tr>
<th>Crop</th>
<th>Fuel product</th>
<th>Annual obtainable yield (L/ha)</th>
<th>Energy yield (GJ/ha)</th>
<th>Potential crop evapo-transpiration (in mm, indicative)</th>
<th>Evapo-transpiration (L/L fuel)</th>
<th>Irrigated or rainfed production</th>
<th>Rainfed conditions</th>
<th>Water resource implications under irrigated conditions (assuming an irrigation efficiency of 50%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar-cane</td>
<td>Ethanol (from sugar)</td>
<td>6 000</td>
<td>120</td>
<td>1 400</td>
<td>2 000</td>
<td>Irrigated/rainfed</td>
<td>1 100</td>
<td>600</td>
</tr>
<tr>
<td>Sugar beet</td>
<td>Ethanol (from sugar)</td>
<td>7 000</td>
<td>140</td>
<td>650</td>
<td>786</td>
<td>Irrigated/rainfed</td>
<td>450</td>
<td>400</td>
</tr>
<tr>
<td>Cassava</td>
<td>Ethanol (from starch)</td>
<td>4 000</td>
<td>80</td>
<td>1 000</td>
<td>2 250</td>
<td>Rainfed</td>
<td>900</td>
<td>–</td>
</tr>
<tr>
<td>Maize</td>
<td>Ethanol (from starch)</td>
<td>3 500</td>
<td>70</td>
<td>550</td>
<td>1 360</td>
<td>Irrigated/rainfed</td>
<td>400</td>
<td>300</td>
</tr>
<tr>
<td>Winter wheat</td>
<td>Ethanol (from starch)</td>
<td>2 000</td>
<td>40</td>
<td>300</td>
<td>1 500</td>
<td>Rainfed</td>
<td>300</td>
<td>–</td>
</tr>
<tr>
<td>Palm oil</td>
<td>Bio-diesel</td>
<td>6 000</td>
<td>193</td>
<td>1 500</td>
<td>2 360</td>
<td>Rainfed</td>
<td>1 300</td>
<td>–</td>
</tr>
<tr>
<td>Rapeseed/mustard</td>
<td>Bio-diesel</td>
<td>1 200</td>
<td>42</td>
<td>500</td>
<td>3 330</td>
<td>Rainfed</td>
<td>400</td>
<td>–</td>
</tr>
<tr>
<td>Soybean</td>
<td>Bio-diesel</td>
<td>450</td>
<td>14</td>
<td>500</td>
<td>10 000</td>
<td>Rainfed</td>
<td>400</td>
<td>–</td>
</tr>
</tbody>
</table>

Note: 1 GJ/h = 277.8 kW.
for marginal land, which provides important ecosystem services such as pasture land or fuel wood for local traditional communities (Cotula et al., 2008). Marginal land is also a target for rehabilitation for food production or sequestering carbon (e.g. forest regrowth).

Biofuels have been heavily debated due to concerns over trade-offs with food security. The debate has largely focused on first generation biofuels: ethanol and biodiesel produced from feedstock such as maize, sugarcane and palm oil.17 The contribution of biofuels to the recent food price increases is difficult to disentangle from other factors such as rising food demand in emerging economies, declining food stocks, fluctuating oil and natural gas prices, commodity speculation, and a succession of low harvests in major food producing regions. Nonetheless, the demand for agricultural feedstock for biofuels is the largest source of new demand for agricultural production in decades, and it was a major factor behind the 2007–2008 spike in world commodity prices. For example, FAO (2011c) estimates that biofuels accounted for about one-third of the maize price increase. This raises concerns about the implications that global biofuel production may have on food security in developing countries.

When considering feedstock production for biofuels, the most important distinguishing characteristic of a biofuel from a water systems perspective is whether it is produced from rainfed or irrigated feedstock crops. In general, rainfed production does not substantially alter the water cycle, whereas irrigated production extracts groundwater or uses surface water and can have important implications for local water availability. When assessing the impact of biofuel production on water and food security, land is the key factor for rainfed agriculture, while water is the key factor for irrigated agriculture. Water used in biofuel processing is a strong competitor for local uses, but it can be returned to rivers and other water bodies and made available for further use. However, these return flows often have negative impacts due to chemical and thermal pollution.

17 Other first generation feedstocks include sunflower and other oilseeds, cassava, and wheat and other grains.

<table>
<thead>
<tr>
<th>Biofuel</th>
<th>Feedstock</th>
<th>Energy crop evapotranspiration (ET)* (tonne water per GJ feedstock)</th>
<th>Total water use in the production chain (tonne water per GJ gross electricity or biofuel output)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional food crop</strong></td>
<td></td>
<td>Low case</td>
<td>High case</td>
</tr>
<tr>
<td>Biodiesel</td>
<td>Rapeseed</td>
<td>45</td>
<td>80</td>
</tr>
<tr>
<td>Ethanol</td>
<td>Sugarcane</td>
<td>25</td>
<td>125</td>
</tr>
<tr>
<td></td>
<td>Sugar beet</td>
<td>55</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td>Corn</td>
<td>35</td>
<td>190</td>
</tr>
<tr>
<td></td>
<td>Wheat</td>
<td>20</td>
<td>200</td>
</tr>
<tr>
<td><strong>Lignocellulosic crop</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethanol</td>
<td></td>
<td>5</td>
<td>70</td>
</tr>
<tr>
<td>Methanol</td>
<td></td>
<td>10</td>
<td>170</td>
</tr>
<tr>
<td>Hydrogen</td>
<td></td>
<td>10</td>
<td>135</td>
</tr>
<tr>
<td>Electricity</td>
<td></td>
<td>15</td>
<td>195</td>
</tr>
</tbody>
</table>

Note: 1 GJ = 277.8 kWh.

* Lower range numbers refer to systems where (a) harvest residues from non-lignocellulosic crops (50% total amount of residues) are used for power production at 45% efficiency or (b) higher efficiencies in processing lignocellulosic crops are achieved. When ethanol is produced from sugarcane or lignocellulosic feedstocks, process by-products (bagasse and lignin, respectively) are used for internal heat and electricity. Here, lower range numbers refer to system designs allowing for export of electricity in excess of internal requirements. For example, short rotation woody crops such as willow and eucalyptus and grasses such as miscanthus and switchgrass.

If bioenergy feedstock is produced on irrigated lands, then the potential impact of biofuels on water resources is also of major concern. This is most relevant for commercial feedstock production. Biofuels use water for both feedstock production and processing stages. Consequently, the water requirements of biofuels produced from irrigated crops can be much larger than for fossil fuel resources (Figure 3.1), although fossil fuels can have much larger environmental impacts. Table 6.1 presents the variability of yields across crop types and provides indicative water requirement levels of rainfed and irrigated crops. Table 6.2 illustrates water requirements along the entire biofuel production chain. Although the water footprint of second generation biofuels (e.g. from non-edible crops, crop residue and algae) could be much lower, production remains almost entirely at the pilot-project level.

Overall, biofuel development needs to be considered in the context of food security, energy needs, land availability, and other national priorities. Biofuels are neither good nor bad and are subject to the same constraints and challenges as the rest of the agricultural sector. What is essential is that the biofuel options be viewed as an agriculture investment option that needs to be sustainable and smallholder inclusive in order to target poverty reduction and rural development and to safeguard food security.

### 6.6 Energy-smart agriculture

Energy efficiency measures can be applied at all stages along the agrifood chain. Table 6.3 presents examples of energy efficient farming practices. Energy efficiency improvements can bring direct savings through technological or behavioural changes, or indirect savings through co-benefits derived from the adoption of agro-ecological farming practices. For both large and small systems, any means of avoiding food wastage should be encouraged and can result in considerable savings in the energy, land and water used to produce this food that no one consumes.

Knowledge-based precision irrigation, which provides reliable and flexible water application, along with deficit irrigation and wastewater reuse, will be a major platform for sustainable crop production intensification (FAO, 2012).

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#### 6.3 Examples of energy efficiency improvements at the farm level

<table>
<thead>
<tr>
<th>Direct intervention</th>
<th>Indirect intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption and maintenance of fuel efficient engines</td>
<td>Improved water allocation and management of water demand</td>
</tr>
<tr>
<td>Precise water application</td>
<td>Improved surface water delivery to reduce the need for pumping</td>
</tr>
<tr>
<td>Precision farming for fertilizers</td>
<td>Provision of water services for multiple water use</td>
</tr>
<tr>
<td>Adoption of no-till practices</td>
<td>Reduced water losses</td>
</tr>
<tr>
<td>Energy efficient buildings</td>
<td>Crop varieties and animal breeds that demand less input (including multipurpose crops and perennials)</td>
</tr>
<tr>
<td>Heat management of greenhouses</td>
<td>Reduced soil erosion</td>
</tr>
<tr>
<td>Propeller design of fishing vessels</td>
<td>Use of bio-fertilizer</td>
</tr>
<tr>
<td>Use of high efficiency pumps (high cost)</td>
<td>Efficient machinery manufacture</td>
</tr>
<tr>
<td></td>
<td>Identification of stock locations and markets by information and communications technology</td>
</tr>
</tbody>
</table>

Source: Adapted from FAO (2011b, table 5, p. 20).
Mechanical irrigation systems should be designed to use water as efficiently as possible. Crops often take up only half of the irrigation water applied (FAO, 2011d), so there is clearly potential to improve water use efficiency, which would also result in less demand for electricity or diesel fuel for pumping. However, much controversy and debate exist about the engineering concept of ‘water use efficiency’ (FAO, 2012). It is widely accepted that, while irrigation losses appear high, a large part of these ‘losses’ return to the river basin in the form of return flow or aquifer recharge, although the water quality of the return flows may have been altered. Measures to increase water use efficiencies upstream, while maintaining existing levels of withdrawal, will increase the productive efficiency of water use, but at the same time, may deprive downstream users who depend on return flow in rivers or groundwater aquifers fed from these returns. Still, from the energy point of view, it remains worthwhile to increase water use efficiencies to prevent energy being spent in pumping the same water twice (upstream and again downstream).

Dam and reservoir design that accommodates fisheries and aquaculture will allow continued food production from rivers that are dammed for hydroelectric development. To protect increasingly scarce water resources for food and energy production, in terms of both quantity and quality, increased attention is required for water management in upstream and mountain areas. Watershed management is an appropriate approach that comprehensively considers management of all available natural resources, and links this management to agricultural production and livelihoods (Section 9.3.5). Through proper watershed management, the risk of some natural hazards (such as landslides and localized floods) can be reduced, surface water flows regulated, sediment loads in river systems reduced and water quality maintained – all indispensable characteristics for successful and sustainable food and hydropower production. Optimizing the management of storage capacity of reservoirs and catchments, including soils and groundwater, offers opportunities for improved efficiencies; for example, drawing upon groundwater reserves at times of low reservoir capacity and enabling groundwater to recharge when reservoirs are full.

Market trends, technological innovations and the availability of cheap (but not necessarily energy efficient) equipment can increase the use of energy in agriculture. For example, public policy changes to subsidize fossil fuels have stimulated the import of innovative, cheap Chinese-made farm machinery to Bangladesh, which has led to the country’s ‘agro-tractorization’. Small, mobile diesel engines that are demountable and can be used for a range of applications, including powering pumps for irrigation, have increased food production and economic returns to farmers (Steele, 2011). The diesel engines can be repaired easily by local mechanics and are less expensive than more sophisticated and more fuel efficient machinery manufactured in India. Seeing these results, Nepalese and Indian farm machinery manufacturers have recognized a new business opportunity. Small engines are now being sold mainly in low-cost farm machinery markets in rural communities. Farm services have expanded as a result of the versatility and transportability of this equipment (Biggs and Justice, 2011). This example illustrates how inexpensive fossil fuels, made available and affordable through government subsidies, have delivered benefits to smallholder farmers using inexpensive diesel-powered farm machinery.

Subsidizing energy, in the form of fossil fuels, has benefited smallholder farmers in Bangladesh without over-exploiting water resources; however, energy subsidies in the form of cheap electricity in the drier parts of India have had detrimental effects on groundwater levels (Section 1.4). It is estimated that in India one million new tube wells become operational every year. In some parts of India, these wells are drilled ever deeper over time to obtain a consistent groundwater yield. More energy is needed and the quality of the extracted water is often poor, with high levels of harmful chemicals such as arsenic. In Gujarat, one of the drier states in India, policies to ration farm power supply, and thus water supply, have been recommended to encourage farmers to use water more sparingly (IWMI, 2011).

Modernization of existing canal irrigation systems to improve services may encourage farmers to reduce groundwater use, as it is often more expensive than surface water supply of similar quality. Modernized
surface water supply systems not only improve water productivity and water use efficiency, but can also improve people’s livelihoods. They have high potential to serve multiple uses such as in crop production, domestic purposes, animal husbandry and small industries.

6.7 Towards a nexus approach

The global community is well aware of food, energy and water challenges, but has so far addressed them in isolation, within sectoral boundaries. At the country level, fragmented sectoral responsibilities, lack of coordination, and inconsistencies between laws and regulatory frameworks may lead to misaligned incentives. If water, energy and food security are to be simultaneously achieved, decision-makers, including those responsible for only a single sector, need to consider broader influences and cross-sectoral impacts. They must strive for innovative policies and integrated institutions. Water development and management programmes, if planned properly, can serve multiple functions, from contributing to energy and food production to helping communities adapt to climate change. A nexus approach to sectoral management, through enhanced dialogue, collaboration and coordination, is needed to ensure that co-benefits and trade-offs are considered and that appropriate safeguards are put in place.

Sustainable and successful policy options best suited for a particular country should take into account all aspects of water, energy and food and should be based on sound technical, environmental (ecosystems) and economic information. This information should address issues on the availability and suitability of natural resources as well as socio-economic costs and benefits. An integrated approach includes:

- An in-depth understanding of synergies and trade-offs in the use of natural resources, while taking into consideration the role of ecosystem services, for the energy and agricultural sector
- An enabling policy and institutional environment, with sound and flexible policies and effective instruments to implement these policies to enforce good practices
- Proper impact monitoring, evaluation, reporting and policy response mechanisms
7.1 Global urbanization trends
More than half of humanity currently lives in cities, and this proportion is expected to grow rapidly. Between 2011 and 2050, it is estimated that the world's population will increase by 2.3 billion, while the urban population will increase by 2.6 billion (UNDESA, 2012). This means that urban areas will absorb all the population growth over the next four decades while the rural population will start to decrease in about a decade. Almost all of this increase will be in cities located in developing countries, while the urban population in developed countries will remain close to constant (Figure 7.1). Between 2010 and 2015, almost 200,000 people are projected to be added to the world's cities every day; 91% of this growth is expected to take place in cities of developing countries (UN-Habitat, 2012).

In developing countries, urban growth will be concentrated in, but not limited to, larger cities. In 2011, about 60% of the world's urban population lived in cities with a population of less than one million people. By 2025, this will decrease to about 50%, while the number of people living in cities with more than one million will increase from 40% to 47%. The annual population increase in six major developing country cities – Dhaka, Karachi, Kinshasa, Lagos, Mumbai and New Delhi – is greater than the entire population of Europe (UN-Habitat, 2012).

As many of the rapidly growing cities in developing countries – particularly in Africa, South Asia and China – already face problems related to water and energy, and have limited capacity to overcome these problems, such cities will be major hotspots for water and energy crises in the future. Kathmandu, for example, is currently able to supply only about one-third of the total water demanded by its one million plus residents, who are also struggling with up to 14 hours per day of power cuts in the dry season. Yet the city continues to grow by about 4% per year (CBS, 2012). Cities like Kathmandu are illustrative of...
the challenge of providing adequate and sustainable water and energy services in the urban context.

### 7.2 Urban water and energy demands

Cities are complex systems that use inputs such as water, energy, food, materials and nutrients, much of which is imported from outside, and produce outputs such as waste, wastewater and emissions that pollute the surrounding environment. Growing urban populations and their increasing affluence generally lead to higher energy and water consumption for domestic use. In India for example, the government’s norm for rural water supply schemes is 40 litres per capita per day (l.p.c.d.), but for towns without sewers it is 70 l.p.c.d., for cities with sewers it is 135 l.p.c.d., and for metropolitan and mega cities, with populations over 1 million, it is as high as 150 l.p.c.d. (CPHEEO, 1999).

While these are design standards, the actual demand for water in these cities could be higher. Mumbai, for example, claims its water demand to be 300 l.p.c.d. (Narain, 2012). In the USA, which has a much higher per capita income than India, domestic indoor water use in cities averages 242 l.p.c.d. However, with the addition of outdoor irrigation, swimming pools and pipeline leakages the total per capita water usage in the USA reaches almost 650 l.p.c.d. (Novotny, 2012).

Although per capita water consumption generally increases with affluence, experience from some high income cities indicates that this relationship need not be linear, as some cities have started reducing their per capita water consumption after reaching a certain income level. This is mainly due to adoption of improved water conservation measures in homes, reduction in water losses (including leakage from urban distribution systems) and enhanced awareness among consumers. Per capita water consumption in New York City declined from 806 l.p.c.d. in 1980 to 481 l.p.c.d. in 2010 (NYC, 2012), a drop of more than 40%.

Figure 7.2, comparing per capita income with per capita water consumption in selected Asian cities, also illustrates this phenomenon. Singapore’s per capita GDP is more than twice that of neighbouring Kuala Lumpur, but its per capita water demand is much lower. The same is the case of Guangzhou and Hong Kong. This indicates that while there is bound to be rapid increase in water demand as cities continue to grow, there is also room to restrict the growth of per capita water demand or reduce it by using water conservation measures.

In addition to the water they directly consume, urban residents tend to have a large water footprint because of higher incomes, which is generally associated with a higher level of consumption of water intensive foods (Chapagain and Hoekstra, 2004) and economic structures that enable people in cities to have reliable supplies of water intensive goods. As this virtual demand of cities could exceed direct water use by an order of magnitude (Hoekstra and Chapagain, 2008), efforts can be made towards reducing this external water footprint.18

Cities not only consume large amounts of water, their high concentration of industry, transport systems and buildings also demands large amounts of energy. Cities are home to just over 50% of the global population, but they consume 60% to 80% of the commercial energy and emit about 75% of the GHGs (IEA, 2008b; UNEP, 2011b). As with water consumption, per capita energy consumption in cities depends on factors such as urban design, income levels, climate and consumption patterns of citizens. High density compact cities tend to have lower per capita energy consumption because less energy is required for transportation as well as for provision of services such as water supply and sanitation.

The difference between energy consumption in rural and urban areas also depends on the level of development. In industrialized countries, the per capita energy use of city residents is slightly lower than the national average,

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18 ‘Water footprint’ and ‘virtual water’ are defined in Section 8.3.

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**FIGURE 7.2 Water consumption and per capita income in selected Asian cities**

Note: Years differ from city to city from 2005 to 2009. Annual Gross Domestic Product (GDP) per person in US$ is based on current prices at the time.

Source: UNDP (2012, fig. 5.3, p. 125, based on source cited therein).
but in developing countries where the per capita energy consumption in rural areas is very low, urban residents have much higher per capita energy consumption. For example, the per capita energy use in urban China is almost twice as high as the national average due to higher average incomes and better access to modern energy services in the cities (IEA, 2008b). More than 90% of the future urbanization will happen in developing countries, resulting in a huge increase in global energy demand, which in turn will result in increasing water demand. The IEA (2012a) predicts that the water needs for energy production will grow at twice the rate of energy demand. The rapid growth of cities will therefore result in serious challenges associated with access to both water and energy in cities and their surrounding areas.

### 7.3 The water–energy nexus in the urban context

Water supply and wastewater management are significant consumers of energy in the urban context. The United States Environmental Protection Agency estimates that the supply of treated water and wastewater management consumes 3% of the total energy use by cities in the USA, but in some states (e.g. California) it can be as high as 20% (Novotny, 2012). The amount of energy required at each step varies significantly depending on site-specific conditions including distance to the water source, its quality (and in the case of groundwater, its depth), and the technologies used. Electricity costs are estimated at 5% to 30% of the total operating cost of water and wastewater utilities (World Bank, 2012b), but in some developing countries such as India and Bangladesh, it is as high as 40% of the total operating cost (Van Den Berg and Danilenko, 2011). A survey of water and wastewater management in 71 Indian cities found that electricity is the single highest cost for water utilities. In some cities, such as Jodhpur, where water is pumped and transported from the Indira Gandhi Canal more than 200 km away, electricity cost is as high as 77% of the total operating cost (Narain, 2012). As cities continue to grow, they will have to go further or dig deeper to obtain water, which will further increase demand for energy, particularly in developing countries where energy is already in short supply and in many cases expensive. Energy supply will therefore have direct implications on availability as well as affordability of water in the rapidly growing cities of developing countries in the future.

In urban water supply and wastewater management systems, water conveyance and the use of advanced water treatment options are generally the most energy intensive activities (Figure 7.3). Water reuse may also require significant energy, depending on the technology used, but this is still less energy intensive than desalination or transporting water over extremely long distances (Lazarova et al., 2012).

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**FIGURE 7.3** Typical energy footprint of the major steps in water cycle management with examples from different treatment plants using specific technologies

Note: GWRS, groundwater replenishment system; WWTP, wastewater treatment plant. Source: Lazarova et al. (2012, fig. 23.1, p. 316, adapted from sources cited therein). © IWA Publishing, reproduced with permission.
Desalination is the most energy intensive water treatment technology (Section 2.3). The energy cost of treating low salinity seawater is about ten times greater than a typical freshwater source and about double the energy cost of treating wastewater for reuse (Pearce, 2012). Desalination is therefore an appropriate option only when there are no other sources or the cost of energy for transporting water is very high. As shown in Figure 7.3, even an efficient desalination plant such as the Ashkelon plant in Israel, which requires 2.9 kWh/m³, is more energy intensive than the transportation of water over long distances in California, which requires 2.5 kWh/m³. However, the desalination industry is working on reducing energy costs. The International Desalination Association has a goal of achieving a 20% energy reduction by 2015, and some companies have started to experiment with using renewable energy for desalination. Abengoa Water has set up a pilot plant in Spain, and Abu Dhabi’s renewable energy company Masdar has announced plans to launch three new projects to test the use of renewables for desalination. By 2020, Masdar aims to have a large-scale commercial desalination plant powered by renewable sources – solar, wind or a combination thereof (Newar, 2013).

Once treated water is supplied to consumers, water heating may also consume large amounts of energy, particularly in cities with cold climates and in affluent cities. In Sweden, for example, it is estimated that collection, treatment and supply of water requires only about 0.46 kWh/m³ of energy but heating water at the point of use consumes more than 100 times more energy – over 50 kWh/m³ (Olsson, 2012). As cities become more affluent and consumers start demanding the convenience of hot water systems in their homes, the energy requirement for water supply will increase further, unless renewable energy options such as solar water heaters can be promoted.

7.4 Re-thinking urban development in terms of water and energy
As cities continue to grow rapidly, it will become increasingly difficult and energy intensive to meet the water demands of their populations and economies. Low-cost surface and groundwater sources have been depleted or contaminated in many urbanized areas (Lazarova et al., 2012). Many experts (e.g. Daigger, 2009; Novotny, 2012) agree that abstracting freshwater from a surface or groundwater source, using it, and disposing of it – known as a ‘linear approach’ – is not sustainable. Future urban development requires approaches that minimize resource consumption and focus on resource recovery.

Many experts agree that abstracting freshwater from a surface or groundwater source, using it, and disposing of it – known as a ‘linear approach’ – is not sustainable. Future urban development requires approaches that minimize resource consumption and focus on resource recovery.
enhance energy efficiency can result in substantial energy and financial savings to the utilities. The World Bank (2012b) estimates that technical measures to improve energy efficiency can result in 10% to 30% energy savings per measure and can have as little as a one- to five-year payback period. In 2003, the Vizianagaram Municipal Council in India introduced the concept of Watergy (water and energy efficiency), conducted energy audits of the municipal bulk water supply systems, and implemented a series of efficiency measures. The city managed to save more than 100 MWh and US$63,700 annually, while lowering energy costs by 18% and eliminating 600 tonnes of carbon dioxide emissions (UN-Habitat-IUTC, 2012). A solar powered wastewater treatment plant under development in Los Alisos, Mexico, is expected to be energy self-sufficient.

See Chapter 27 (Volume 2) for the case study ‘Solar powered wastewater treatment plant in Mexico.’

7.4.2 Urban planning and integrated urban water management

Water and energy consumption in cities can be reduced during early stages of urban planning through development of compact settlements and investment in systems for integrated urban water management (IUWM), such as conservation of water sources, use of multiple water sources – including rainwater harvesting, stormwater management and wastewater reuse – and treatment of water as needed rather than treatment of all water to a potable standard (Box 7.1). High density mixed land use settlements can significantly reduce water and energy consumption compared to low density land use settlements, which require large amounts of water for irrigation of outdoor landscaping and energy for transporting water and sewage over long distances. A study on residential water use in 12 Western US cities showed that in all of the cities, more than half of the household water consumption was for outdoor irrigation. However, the community of Civano in Tucson, Arizona, has managed to reduce its use of potable water to 197 l.p.c.d. – less than half the average amount consumed by other Tucson residents – through innovative development planning and landscape design. The Civano community has smaller than average lot sizes and primarily uses native plants for landscaping, which require less irrigation water. Each house in Civano also has two water supply lines: potable water for indoor use and reclaimed water for outdoor use (WRA, 2003). As indicated in Figure 7.4, the use of water conservation measures and reclaimed water results in significant reductions in energy demand. As many cities of the future are yet to be built or are in the process of being built, better urban planning with efficient, integrated systems for urban water management and the conservation of water resources can go a long way in reducing both water and energy demand in cities (Box 7.2).

7.4.3 Energy from wastewater

Wastewater contains energy in the form of potential energy, thermal energy and chemically bound energy, all of which can be harnessed and utilized. The potential energy in wastewater depends on the topography’s available head, or difference in height. However, even at a height of 50 m, the potential energy content of water or wastewater is only 6 kWh per capita per year (Lazarova et al., 2012). This energy source is therefore limited to areas with favourable topography. In Amman, as the altitude difference between the city and the As-Samra wastewater treatment plant is about 100 m and the altitude difference between the plant and the outlet is 42 m, the plant is able to generate about 3 MW of electrical energy by operating two turbines before the plant and two after it. When added to what its four biogas digesters generate (Box 16.5), the plant becomes nearly energy self-sufficient (Lazarova et al., 2012). In high rise buildings, treated wastewater from the upper
Cities leading the way in water and energy conservation

Windhoek, in the heart of Namibia, the most arid country in sub-Saharan Africa, is successfully applying integrated urban water management, which includes diversifying its water sources and recycling wastewater to meet its water needs. More than 40 years ago, in 1969, the city established the Goreangab reclamation plant, which supplied 10% to 15% of the city’s daily demand for potable water. In 2002, the city established another plant. Today, 26% of the water supplied in the city is recycled sewage. In 1993, Windhoek installed a dual pipe system to irrigate all municipal parks, gardens and sports fields with semi-purified sewage effluent, thus reducing potable water demand by 5% to 7%. In 1997, the city started recharging its aquifer, which enabled the city to survive for two years without any surface water. Reduction of water demand and reclamation of wastewater has enabled Windhoek to sustain its water supply system and reduce energy consumption related to transportation of water over very long distances and treatment of water from alternative sources such as seawater. From Trepper (2012) and Jacobsen et al. (2013).

Chennai, like most Indian cities, is struggling to meet the thirst of its eight million people. In the absence of perennial rivers, the city has traditionally depended on the rain that it captures in lakes, ponds and aquifers. While the city continues to keep an eye on distant rivers, it is also experimenting with innovative options such as rainwater harvesting, sewage recycling and desalination to avoid the high energy costs associated with transporting water over long distances. Following two consecutive drought years in 2002 and 2003, the city managed to develop India’s most successful rainwater harvesting programme by making rainwater harvesting mandatory in all houses. It is also the first city in India to recycle sewage and has now started venturing into desalination. It is estimated that about 75% of the houses in the city now have rainwater harvesting and recharging systems and a study conducted in 2007 found that the groundwater table in the city had risen by almost 50%, from an average of 6.18 m in 2004 to an average of 3.45 m in 2007. MetroWater, Chennai’s water supply and sewerage authority, earns INR120 million per year by selling sewage to the Chennai Petroleum Company, which in turn treats the sewage in its 41 million litres per day capacity reverse osmosis plant and turns it into water for its use. The company has found reclaiming sewage to be a more reliable and cost-effective option than other sources. Overall in 2008–2009, only 12% of MetroWater’s total cost was for electricity, which is much lower than most other Indian cities. From Narain and Srinivasan (2012).

In 2010–2011, Sydney Water’s renewable energy plants generated almost 15% of the utility’s energy needs and it is committed to becoming carbon neutral for energy use by 2020. Sydney Water currently supports four different renewable energy technologies. Biogas is captured and converted into electricity to power its wastewater treatment plants. Similarly, treated wastewater is used to generate hydropower as it passes down a large drop shaft on its way to a deep ocean outfall. It uses photovoltaic solar energy to generate electricity and solar heaters for hot water. It also uses wind energy; the power requirements of its desalination plant are offset by the energy produced by the Capital Wind Farm near Queanbeyan. From Sydney Water (n.d.).

Conservation of water sources

In October 2012, when Hurricane Sandy swept through north-eastern USA, New Yorkers were left for days without electricity, but they continued to have access to water, thanks to New York City’s efforts to invest in the Catskill/Delaware forests and wetlands instead of energy intensive water treatment plants (WWAP, 2009, ch. 14). The city saved US$4 billion to $6 billion on the cost of water treatment plants by protecting forests and compensating farmers in the Catskill Mountains for reducing pollution in lakes and streams (Leahy, 2013). More than 200 cities and regions around the world have invested in conserving their watersheds and using natural infrastructure to provide essential ecosystem services. In 2011, more than $US8 billion was invested globally in watershed projects; China led the way with 91% of this sum (Bennett et al., 2013). Investment in watersheds ensures regular supply of freshwater and reduces the need to invest in expensive and energy intensive alternative sources. As conveyance over long distances and use of advance water treatment are the most energy intensive components of water and wastewater management systems, the application of integrated urban water management options such as watershed management results in reduced energy demand.

Source: UN-Habitat.
floors or collected rainwater from the roof can be used in the lower floors to minimize energy required for pumping of freshwater.

The thermal energy in wastewater comes from its temperature when leaving a building – about 27°C for mixed wastewater and 38–40°C for grey water (Roest et al., 2010). The thermal energy of wastewater is particularly useful in places where a large amount of energy is required for heating water, because it can be used to preheat the water via heat exchangers or heat pumps. In Dalian, a city of 5.7 million people in northeast China (recognized as a National Model City in Environmental Protection by the Chinese government), heat is reclaimed from sewage to meet part of the heating and cooling requirements of the Xinghai Bay Business District. Authorities claim they save more than 30% in energy compared to conventional solutions (Friotherm, 2012).

The chemically bound energy in wastewater results from its carbon content, which can be converted to methane under anaerobic conditions. The methane can then be used for cooking and heating, converted to electricity, or used to fuel vehicles. Based on the maximum chemical oxygen demand (COD) load per capita of 110–120 mg/L, Lazarova et al. (2012) estimates the maximum theoretical chemical energy content of wastewater to be 146 kWh per capita per year. Although the chemically bound energy content in wastewater is less than its thermal energy, it can be transported without much loss, whereas the thermal energy has to be reclaimed as close to the source as possible. Many wastewater treatment plants have been able to generate biogas from wastewater or sludge and convert it to heat or electricity. In Stockholm, for example, public buses, waste collection trucks and taxis run on biogas produced from sewage treatment plants (Osterlin, 2012) (see Chapters 17 and 24 [Volume 2], for the case studies ‘Green energy generation in Vienna, Austria’ and ‘Green energy production from municipal sewage sludge in Japan’, respectively).

In developing countries, particularly in warm climates, there is little opportunity for using thermal energy from wastewater, but generating biogas from wastewater can be very useful. This is now a widespread practice in many cities in Africa and in Asia. More than 300 households and institutions in Maseru, Lesotho, are generating biogas from wastewater and using it as a cooking fuel. Although the initial cost for decentralized wastewater treatment systems – which includes a biogas digester, an anaerobic baffle reactor and planted gravel filters – is slightly higher than septic tanks, the additional benefits of biogas allow the system to pay for itself in three years (Mantopi and Huba, 2011). When biogas is used for cooking it often replaces inefficient and potentially harmful solid biomass fuels (Chapters 3, 9). Decentralized biogas systems for wastewater treatment also reduce the cost of transporting and pumping wastewater.

Another potential option for energy production is the use of dried faecal sludge (FS) as fuel. Nakato et al. (2012) analysed FS samples from three cities (Dakar, Senegal; Kampala, Uganda; Kumasi, Ghana) and found the average calorific value of the samples to be 17.2 MJ/kg dry solids (DS), which is comparable to other commonly used fuels such as rice husk (15.6 MJ/kg DS), forest residue (19.5 MJ/kg DS), coffee husk (19.8 MJ/kg DS) and sawdust (20.9 MJ/kg DS). The study found that the FS must be dried to ≥27% DS to enable industry to derive the net energy of 17.2 MJ/kg DS. Experience from Uganda has shown that it is possible to achieve a DS concentration of more than 30% by drying the FS in simple drying beds for two weeks, thus indicating that additional energy inputs would not be required.

7.4.4 Waterborne transit

Many urban areas are located next to large water bodies, making waterborne transit another area where water and energy come together in the urban context. Several studies have shown that waterborne transit is one of the most energy efficient means of transport. Studies done in the USA indicate that inland towing barges are more than three times more energy efficient than road (trucks) and 40% more efficient than rail in transporting cargo (PIANC, 2011). A study done by India’s National Transport Policy Committee (1980) showed that the energy consumption of transporting goods by barge was 328.0 BTU per tonne-km, whereas for diesel trucks it was five times higher at 1587.3 BTU per tonne-km. As transportation is one of the most energy intensive sectors in the urban context, increasing the use of waterways for passenger or goods transit can lead to substantial energy savings.

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19 1 MJ = 0.278 kWh
20 1 BTU = 0.293 Wh
8.1 The relationship of water and energy with industry

In its internal operations and with its external reach, industry both uses and abuses water and, in so doing, consumes energy. Industry seeks water and energy efficiency though the two are not always compatible and there are trade-offs to be made. Efficiencies are usually driven in terms of cost–benefit as they relate to company profits, although government policy and legislation can significantly influence the situation. When these efficiencies translate to reduced water and energy use in a plant, one potential result is a reduction in water and energy stress outside the factory walls in the communities and river basins where it operates. In addition to the use (and therefore the cost and economics) of water and energy along supply and value chains (WWAP, 2012, ch. 20), there is an increasing trend towards corporate social responsibility (CSR) and a company’s licence to operate, linked with broader public policy and legislation. Many industries see their direct interaction with water and energy occurring primarily at a plant or factory level, yet the value chain approach is increasingly used by several multinationals, and incorporated into their risk assessment and risk management strategies. At the end use level, water is used in a variety of ways – as a raw material, for steam, for heating and cooling, as a solvent, for cleaning, and for transport of waste and particulates. Energy is further required to move, heat, cool, treat, discharge or recycle the water. Water consumption and efficiency is therefore an important determinant in energy efficiency (UNIDO, 2011). Industry uses energy independently of water as well; for example, to power machinery and equipment, and to heat and cool buildings. Energy is used outside production and manufacturing, for example in transporting goods.

Water footprints often capture external or indirect factors, such as industry’s indirect relationship with embedded water to produce energy used in its facilities. Virtual water is found in the supply chains of materials and equipment employed by industry and in the downstream use of products by consumers, which use energy as well. Such factors have a broader reach outside the manufacturing or production process. There is a relationship of water and energy with industry both in and out of the ‘water box’ (WWAP, 2009).

8.2 The status of water and energy in industry

The separate means by which water use and energy consumption are managed in industry generates information and data relating to each sector’s individual use and efficiency, but essentially no linkage between the two. Information on a worldwide scale is generalized and is influenced by industrialized nations, such as those in the OECD, and by emerging industrial countries, such as China and India. Useful data from individual countries illustrate some general points and trends as do detailed data within individual sectors and companies. However, there is a need to relate water and energy indicators to one another.

8.2.1 Amounts and trends

Industry uses proportionately significantly more of the energy supply than it does of the water supply. The industrial sector accounts for about 37% of primary global energy use (UNIDO, 2008). Within this sector in 2010, five principal energy intensive industries accounted for about 50% of that use: chemicals (19%), iron and steel (15%), non-metallic minerals (7%), pulp and paper (3%) and non-ferrous metals (2%) (US EIA, 2013). Worldwide, industry accounts for 19% of all water withdrawals, but with big regional variations: 2% in South Asia and 77% in Western Europe (FAO AQUASTAT, n.d.). In England and Wales, the manufacturing sector is the largest user of water, with 45% to 55% of the directly abstracted volume from non-tidal sources, excluding major non-consumptive use. The top five abstraction categories were chemicals and chemical products, basic metals, paper and paper products, beverages, and food products – a noticeable overlap with the energy intensive industries noted above (WRAP, 2011).

World energy consumption increased by 186% between 1973 and 2010 and for the same period industry’s use
increased by 157% (IEA, 2012c). The IEA predicts that global energy demand will increase by about one-third by 2035, with the non-OECD component increasing to 65% (IEA, 2012a), indicating that the amount of industrial energy use varies with the type of economy. The OECD predicts that by 2050 global water demand will increase by 55% and within that, manufacturing’s share, though not the largest, will increase by 400%, with the largest component coming from the BRICS countries (OECD, 2012b). For Asia, a 65% increase in industrial water use is forecast between 2000 and 2030 (WEF, 2009).

8.2.2 Water quality and energy
Different industrial processes are able to use water of varying quality. Not all industrial production requires the ultra-pure water of the semiconductor industry or the high quality raw-material water of the food and beverage industry. However, some water treatment is required for cooling, condensing and steam. Further treatment is required for discharge: for example, in Canada, 38% of discharged industrial water is not treated, while 16%, 37% and 8% underwent primary, secondary or tertiary treatment, respectively (Statistics Canada, 2009). Industry can recycle its own water in heating and cooling, and may use reclaimed water from sources such as urban water supplies instead of freshwater abstraction. Specific industries report some water recycling data and, while global statistics are not widely available, it is reported that recirculated (recycled) water use, as a percentage of intake, is 53% in the Canadian manufacturing industry (Statistics Canada, 2009). Water treatment requires energy, and the amount of treatment needed increases as the quality of the source decreases. As shown in Figure 2.2 (Section 2.3), approximately twice as much energy is required to deliver treated water from wastewater as from a lake or river. For industry, the implication is that in terms of energy required, it may be more economical to extract water directly from a raw external source or treat wastewater to minimum standards for discharge, than to fully treat wastewater for reuse.

8.2.3 Industry in low income countries
Globalization has led several manufacturing industries to move to lower income countries. Drivers for this trend have commonly been cheaper labour, favourable taxation, and less or lighter regulation and enforcement. Water-intensive industries in regions with adequate water may be transferred to areas with less water, stressing local water supplies and local utilities (WWAP, 2003). New industry may contaminate vulnerable water supplies with increased by 157% (IEA, 2012c). The IEA predicts that
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8.1 Trends in water and energy use in tourism
Tourism is one of the most promising drivers of growth for the world economy, but its development is accompanied by sustainability-related challenges. An investment of 0.2% of current global Gross Domestic Product (US$135 billion) per year between now and 2050 would allow the tourism sector to grow steadily, contributing to economic growth, employment and development while ensuring significant environmental benefits such as reductions in water consumption (18%), energy use (44%) and carbon dioxide emissions (52%) compared with a business-as-usual scenario (UNEP/UNWTO, 2012).

To mobilize and maximize this tourism investment, small and medium-sized tourism enterprises need better access to tools and financing from governments and international organizations through public–private partnerships. Public policies and support such as subsidies to encourage private investment in green tourism would provide the conditions for the further development of sustainable tourism. Destination planning and development strategies are the first step towards the greening of tourism (UNEP/UNWTO, 2012).

Initiatives such as the Hotel Energy Solutions (HES) project, initiated by UNWTO with the support of the European Union ‘Intelligent Energy Europe Programme’ and in close partnership with UNEP, IH&RA, EREC and ADEME, aim to increase energy efficiency in small and medium-sized hotels by 20% and increase their use of renewable energies by 10%, demonstrating that economic growth and sustainability can, and should, go hand in hand. The project helps to reduce hotel operational costs while increasing competitiveness and sustainability and assisting in alleviating the industry’s impact on climate change. Its principal asset is easy-to-use software – the HES E-toolkit – which allows hoteliers to assess current energy use and decide on the most advantageous technology investment solutions.

Source: UNWTO.

21 Similar statistics are not generally available for developing countries, and even for OECD countries, details of how much industrial water is treated and recycled are difficult to obtain.
8.3 Water and energy metrics in industry

Efficiency and improvement in water and energy need to be measured for benchmarking and future evaluation. Separate data and indicators are available for both water and energy use in industry. Industry is interested in measuring the cost effects on its profitability whereas governments and civil society are more focused on overall economic results, social benefits and the environment. Metrics comparing water and energy use to indicate the effects of one upon the other, both at plant scale and for countries as a whole, are necessary yet seemingly absent.

In developed countries, industrial water use may be stabilizing due to increased efficiency and the move of some manufacturing plants to low income countries yet, at the same time, lack of access to water may hinder such moves, especially for water-dependent industries.
and energy intensity, expressed in terms of energy use per monetary unit, such as per unit of value added (UNIDO, 2010) or the amount of energy used to produce one unit of a commodity (UNIDO, 2008).

8.4 Forces influencing the use of water and energy in industry

As described in Sections 2.1 and 3.1 of this report, water and energy have many of the same demand drivers. Principal among these are population growth, economic development and urbanization, and a growing middle class (Sarni and Stanislaw, 2012). Overarching these drivers is the challenge of policy and governance and their resulting fiscal and legal drivers. In the decision-making process for industrial location, water and energy needs compete for priority not just with each other but also with factors such as labour costs, availability of skilled labour, and access to raw materials, markets, suppliers, transportation, infrastructure, regulatory frameworks and centres of innovation (McKinsey & Company, 2012).

8.4.1 Population pressure and living standards

Population growth and poverty reduction produce increased demands for water and manufactured goods, which means increased demand for energy, mainly as electricity. This trite point underlies many drivers that put demand pressure on water and energy. Globally, manufacturing output continues to grow in advanced economies by about 2.7% annually and by 7.4% in large developing economies (McKinsey & Company, 2012). Per capita use of water tends to increase with the higher standards of living associated with rising levels of industrial activity in developing countries (Goldman Sachs, 2008). The case is similar for energy. In developing countries, the growing industrial sector requires increasing energy – already more than 50% of the energy supply (UNIDO, 2008).

---

**Primary energy use: All USA manufacturing**

| Manufacturing Energy and Carbon Footprint | Total Primary Energy Use: 21,972 TBtu |
| Sector: All Manufacturing (NAICS 31-33) | Total Combustion Emissions: 1,261 MMT CO₂e |

**Total Energy**

- **Offsite Energy**
  - Fuel: 117,935
  - Electricity Generation: 12,974
  - Steam Generation: 744
- **Onsite Energy**
  - Total Emissions = Offsite Emissions + Onsite Emissions
- **Process Energy**
  - Electricity and Steam Generation Losses: 1,582
  - Steam Distribution Losses: 937
  - Nonprocess Energy: 142.6
  - Total Nonprocess Energy: 647
- **Nonprocess Energy**
  - Export: 67

**Combustion Emissions (MMT CO₂e = Million Metric Tons Carbon Dioxide Equivalent)**

- Total: Offsite, Onsite

**Energy Use (TBtu = Trillion British Thermal Units)**

- Fuel
- Electricity
- Steam

**Losses**

- Offsite, Onsite

**Notes:** Feedstock energy not included. Energy values <0.5 TBtu shown as 0. Values represent aggregate data Offsite generation shown on net basis.

Prepared for the Advanced Manufacturing Office (AMO) by Energetics Incorporated.

Energy use data source: 2006 MICS (with adjustments)
Last Revised: October 2012
8.4.2 Economic forces
Although supply and demand are fundamental parameters, they are influenced by factors other than the amounts of water and energy involved. Perhaps the most significant of these is price. Although there is wide variation, water prices for domestic use in the OECD are generally higher than for industry and agriculture (CWF, 2011) (Table 8.1). Electricity prices per megawatt-hour for industry range from US$69.57 (USA) to US$279.31 (Italy) (IEA, 2012c). Again, domestic prices are significantly higher in all countries, although prices between countries are not always comparable, as they are not related to disposable incomes or GDP (CWF, 2011).

Water and energy prices are strongly affected by subsidies that support industry and its competitiveness. These subsidies distort the true economic relationship between water and energy. Particularly for water, price is not a true reflection of cost and may in fact be less than the cost. Historically, the price of water has been so low that there has been no incentive to save it (TSG, 2012). There is growing momentum for water prices to reflect its true cost, which, it is hoped, can reduce consumption and encourage conservation and efficiency. Demand elasticity can allow industry to adapt to conservation-minded pricing over the long term, especially in those industries with high water use (Goldman Sachs, 2008). The assumption that lower energy prices will lead to higher specific energy consumption (SEC) and vice versa has been shown in only a few industries. Higher SEC is related to other factors such as keeping old, less efficient machinery to avoid the high investment in newer, more efficient equipment during uncertain economic times. Where local energy is relatively cheap, for example in major fossil-fuel producing countries such as Russia, Saudi Arabia and South Africa, there is little incentive to reduce energy use (UNIDO, 2010).

Volatility in energy prices affects industry more than the availability of energy. The reverse is somewhat true for water – availability of water is a bigger business risk – as the price is generally low and stable. Oil has shown a price variation of 42.9% since 1989 whereas the same figure for water is 4.2% (WEF, 2009). Water prices are capped because the service is generally publicly run or regulated (WEF, 2009), at least in developed countries (Section 1.3).

8.4.3 Availability and security
Access to water, competition for water and water security are expressions of water availability and the need to obtain

### OECD estimates of prices for water by broad sector usage

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<thead>
<tr>
<th>OECD nation</th>
<th>Household water supply</th>
<th>Industrial and commercial</th>
<th>Irrigation and agriculture</th>
<th>Average price of water supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>3.16</td>
<td>1.08</td>
<td>1.44</td>
<td>1.89</td>
</tr>
<tr>
<td>Austria</td>
<td>1.05</td>
<td>1.05</td>
<td>1.01</td>
<td>1.04</td>
</tr>
<tr>
<td>France</td>
<td>3.11</td>
<td>0.95</td>
<td>0.08</td>
<td>1.38</td>
</tr>
<tr>
<td>Greece</td>
<td>1.14</td>
<td>1.14</td>
<td>0.05</td>
<td>0.78</td>
</tr>
<tr>
<td>Spain</td>
<td>1.07</td>
<td>1.08</td>
<td>0.05</td>
<td>0.73</td>
</tr>
<tr>
<td>United States of America</td>
<td>1.25</td>
<td>0.51</td>
<td>0.05</td>
<td>0.60</td>
</tr>
<tr>
<td>Hungary</td>
<td>0.45</td>
<td>1.54</td>
<td>0.03</td>
<td>0.67</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2.28</td>
<td>1.68</td>
<td>0.02</td>
<td>1.33</td>
</tr>
<tr>
<td>Australia</td>
<td>1.64</td>
<td>1.64</td>
<td>0.02</td>
<td>1.10</td>
</tr>
<tr>
<td>Portugal</td>
<td>1.00</td>
<td>1.26</td>
<td>0.02</td>
<td>0.76</td>
</tr>
<tr>
<td>Turkey</td>
<td>1.51</td>
<td>1.68</td>
<td>0.01</td>
<td>1.07</td>
</tr>
<tr>
<td>Canada</td>
<td>0.70</td>
<td>1.59</td>
<td>0.01</td>
<td>0.77</td>
</tr>
</tbody>
</table>

Note: Data not available for all Organisation for Economic Co-operation and Development (OECD) member nations. Prices are in US$/m³ water. Includes water supply only and excludes wastewater charges and taxes. Source: CWF (2011, fig. 9, p. 8, derived from source cited therein).
8.4.4 Governance and policy-making
Governments and their policies are the principal enablers for water and energy efficiency. There is frequently a lack of coordination and collaboration between policy- and decision-makers in the realms of energy and water. There is a common perception that energy efficiency is too complex for public policy, and that it is best resolved in the marketplace (UNIDO, 2008). As industry is primarily focused on production, its interest is to secure water and energy at the lowest prices and not necessarily within a programme of water and energy efficiency. This provides an opportunity for policy intervention (UNIDO, 2008).

The challenge is to develop a sustainable approach to policy intervention. Manufacturing has traditionally been considered in terms of a vector for mass employment, but it also is ‘a critical driver of innovation, productivity and competitiveness’ (McKinsey & Company, 2012, p. 15). Policy-makers need to understand the diversity of industry and its position in the wider national and regional economy. In the case of energy, governments need to be aware of industries affected by energy costs, the impacts of energy costs, and what might drive location (McKinsey & Company, 2012). Similar points may apply to water use in terms of affordable access to reliable supply and treatment services. However, cost and other market considerations are often not as prominent as the overall availability of water resources, especially for larger plants that may have their own water supply and treatment facilities.

8.4.5 Legislation and regulation
Energy regulation is more directed towards production and distribution than use in industry, although in many industries, energy efficiency is driven by regulations concerning carbon footprints and GHGs. For water resources, regulation generally concerns use and discharge. For example, the USA’s Clean Water Act protects surface water from pollution discharges and the EU Urban Wastewater directive is aimed in part at industrial wastewater. Overall there appears to be an increase in water regulation facing industry: this increases cost and may jeopardize predictable supply (JPMorgan, 2008). Laws and regulation can be effective drivers of efficiency, and they are often based on both offering incentives and threatening penalties. A less forceful method is to use voluntary guidelines. Regulation is becoming more global; for example, China is mirroring much of the USA’s regulatory framework with its State Environmental Protection Agency (SEPA) (Goldman Sachs, 2008). In contrast, better use of energy and water in lower income countries may be the indirect result of regulations in developed countries with markets and companies that are subject to higher environmental standards (WWAP, 2012). This must be seen in the context that an estimated 70% of industrial waste (and 90% of sewage) is discharged without treatment into usable water supplies in developing countries (UN, 2003).
it is often the case that more efficient or less use of water translates into energy savings because of the need to heat, cool, move and treat water, the opposite is less likely to be the case – that more efficient use of energy means less use of water (unless embedded water to produce the energy is factored in). Closed-loop dry cooling systems are an example of both water and energy savings combined.

Enforcement of regulation can be a challenge, especially in countries with limited resources. The goal is that regulations must be clear and based on the latest information and science.

In most cases, the main trade-offs are whether energy savings trump water savings (or vice versa), and whether gaining an improvement in water can come at the expense of energy (or vice versa). This is where water productivity intersects with energy efficiency. For example, alternative tailing disposal (ATD) mining techniques may reduce water use but they require more energy to dewater and transport the filtered, thickened or paste-like material (Watson, 2010). Recycling water is strongly encouraged yet the energy used for treatment per cubic metre is considerably more than that for supplying fresh water (Figure 2.2). These trade-offs highlight the need for balanced optimization, as industry is concerned with its overall costs. Such cost–benefit interactions are easiest to measure at the plant level. In the short term, investments may be perceived as a high and risky cost in the light of longer term gains such as lower operation and maintenance costs. But many investments in water productivity have shown positive returns in as little as three years (McKinsey & Company, 2009b).

8.5 Opportunities and trade-offs

The private management structure of industry gives it the flexibility to effect changes, which can be rapid, and improve efficiency in water and energy use within itself and its immediate sphere of influence – working from inside the water and energy ‘boxes’. For governments and regulators, outside-the-box opportunities exist to provide enabling environments and institutional frameworks to assist industry efforts.

Opportunities for energy efficiency in industry have existed for a long time. Beyond the quest for more cost-efficient energy use, the most recent driver is the emphasis on climate change, where a reduction in GHG emissions is strongly linked to energy use and efficiency. Water use and efficiency opportunities are now following suit, driven in part by climate change and the scarcity of water resources it is projected to produce. However, there may be a rebound effect. Although energy efficiency means the same production can be delivered with less energy, it also means more can be produced with the same amount of energy. The same effect can be true for water (Ercin and Hoekstra, 2012).

New and developing technology is available to improve industry water productivity and energy efficiency. While
In the short term, investments may be perceived as a high and risky cost in the light of longer term gains such as lower operation and maintenance costs. But many investments in water productivity have shown positive returns in as little as three years.

may choose to expand capacity, which will generate more revenue, rather than improve efficiency (UNIDO, 2010). The opportunities in energy savings in industry translate to a potential 26% improvement worldwide based on benchmark data, and more than 75% in developing countries or economies in transition. This would result in a saving of 3% to 4% in total cost of production (UNIDO, 2010).

Trade-offs may be difficult to see in monetary terms as a return on investment. When a company sees the opportunity to adopt new paradigms of CSR and commits to cleaner production and sustainability, there is a financial investment of time and materials. While this may lead to more profit, which is one measure, it is also intended to improve the company’s social licence to operate, which is intangible, like goodwill.

Government and decision-makers are also faced with trade-offs, which are very different to those of industry because their constituency has many stakeholders with competing interests. In theory, IWRM takes account of industry’s requirements, balanced with the needs and interests of affected stakeholders and environmental concerns. Trade-offs are bound to be necessary, and dealing with them needs to be based on good data in the bigger picture. Industry generally recognizes that regulation will shape water economics and that regulators’ preferences can shape responses (McKinsey, 2009b). The same is also likely true for energy.
9.1 Ecosystems as the foundation of the water–energy nexus

The availability of adequate quantities of water, of sufficient quality, depends on healthy ecosystems and can be considered an ecosystem service (UNEP, 2011a). Looking at the world as a range of ecosystems (from pristine nature to intensive agriculture) and recognizing that ecosystems provide a variety of services to the water–energy nexus can help the management of trade-offs and ensure that short-term gains (e.g. in providing energy) do not undermine services critical for resilience and long-term environmental sustainability (Boeele et al., 2011). Maintaining environmental flows enables important ecosystem services that are fundamental to sustainable economic growth, human well-being and societal peace in shared river basins (UNEP-IRP, in press).

Ecosystems provide the enabling environment for water flows as well as energy provision, and are impacted by many processes across the water–energy nexus. Where water is a source of energy, be it directly (e.g. hydropower) or indirectly (e.g. irrigated biofuels), healthy ecosystems

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**Note:** Bold arrows indicate a major dependency; dashed arrows indicate major, usually negative, impacts; and shading indicates that water flows play a crucial role in these interactions. Categories of ecosystem services are according to MEA (2005).

**Source:** UNEP
The waste and warm water generated in thermal power plants can be treated by ecosystems through in-stream processes involving absorption, buffering, dilution and detoxification.

At the same time, ecosystem services are being compromised worldwide, and energy production is one of the drivers of this process (WWF, 2012). Different forms of energy have, to a greater or lesser extent, an impact on water resources (Table 9.1). These impacts can be easier quantified and understood at smaller spatial scales due to the nature of water resources and the boundaries of water flows (GEA, 2012). Most energy production is heavily dependent on delivering the services necessary to sustain the production of that energy (Figure 9.1). At the same time, energy generation has an impact on ecosystems both directly (e.g. mining of fossil fuels in forested areas) and through the use of water for energy (e.g. hydropower dams that alter river ecology).

### 9.2 Energy, water and ecosystems: Dependencies and impacts

Links between energy production, water and ecosystems are manifold (Table 9.1). Power generation plants are often located near rivers, as they require a regular supply of freshwater for cooling, and in the case of hydropower, water is used to drive electricity-generating turbines.

<table>
<thead>
<tr>
<th>Type of energy source</th>
<th>Example of water use</th>
<th>Ecosystem services Depends on</th>
<th>Impacts on</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydropower</td>
<td>Electricity generation</td>
<td>Water flow regulation upstream (R)</td>
<td>Fisheries (P)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Erosion regulation upstream (R)</td>
<td>Water flow regulation downstream (R)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Climate regulation (S)</td>
<td>Sediment transport downstream (S)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Recreation (C)</td>
</tr>
<tr>
<td>Bioenergy</td>
<td>Water use for irrigation of biofuel crops</td>
<td>Water supply (P)</td>
<td>Water flow regulation (R)</td>
</tr>
<tr>
<td></td>
<td>Water used for biomass</td>
<td>Water flow regulation (R)</td>
<td>Food production (P)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Soil fertility (S)</td>
<td>Water quality (P)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pollination (R)</td>
<td></td>
</tr>
<tr>
<td>Fossil fuels</td>
<td>Extraction (e.g. exploration, hydraulic fracturing, shale processing, drilling equipment, dust suppression)</td>
<td>Long-term soil formation (S)</td>
<td>Nutrient cycling (S)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Landscape (C)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Erosion (R)</td>
</tr>
<tr>
<td></td>
<td>Refining (e.g. coal washing, oil hydrogenation, gas purification)</td>
<td>Water flow regulation (R)</td>
<td>GHG regulation (R)</td>
</tr>
<tr>
<td></td>
<td>Use</td>
<td>GhG emissions (R)</td>
<td></td>
</tr>
<tr>
<td>Thermal power generation (fossil, nuclear, concentrated solar power)</td>
<td>Cooling</td>
<td>Water flow regulation (R)</td>
<td>Biodiversity (R)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Aquatic ecosystem functions</td>
</tr>
<tr>
<td></td>
<td>Waste disposal</td>
<td>Almost all regulating and supporting services</td>
<td></td>
</tr>
</tbody>
</table>

Ecosystem services: C, cultural; P, provisioning; R, regulating; S, supporting. GHG, greenhouse gas. Source: UNEP.
dependent on readily available water (Chapter 3), and this dependency impacts water-related ecosystems in a variety of ways. If adequate water is not available at the right place at the right time and in the right quantity and quality, ecosystem functions and services, and subsequently energy production, can be negatively affected.

Life-cycle environmental impact assessment (EIA) methods are available to quantify and rank impacts of various types of energy generation. Water consumption often is included into these methods, though environmental impacts of water use can also be determined. A focus on ecosystem services in EIA can help the approach move beyond impact assessment towards a comparison of options; for example, various biofuel crops, to determine which is most sustainable (Coleby et al., 2012). Funding organizations such as the World Bank emphasize the need to match development with environmental sustainability, such as green growth in the energy sector (World Bank, 2013b).

9.2.1 Hydropower
Hydropower is the largest renewable source of electricity generation (Figure 3.5), and although it uses water flows as the source of energy, most of the water that passes through hydropower plants can be used for other purposes afterwards (Section 3.3.3). Large dams are often built to create reservoirs, the functioning of which relies on vegetation and healthy soils upstream to protect the reservoir from sedimentation and regulate the flow of water to it. Many well-designed and operated reservoirs include catchment management.

From an environmental perspective, an important issue in hydropower generation, as for dams and reservoirs in general, is the fragmentation of river systems with far-reaching impacts on ecosystem services that benefit human activities, economies and development (GEA, 2012). A recent global assessment indicates that of the 292 large rivers studied, 172 are already seriously affected and fragmented by dams (Nilsson et al., 2005), obstructing upstream and downstream fish migration. Damming for power production and artificial regulation of flows can affect the timing of water flows: often it reduces or eliminates seasonal floods and negatively affects river ecology, adjacent floodplains and wetlands. This in turn has an impact on the breeding grounds of aquatic species (affecting protein stock and fisheries), groundwater recharge, soil fertility, agricultural productivity, biodiversity and water quality (e.g. Herath et al., 2011; Opperman et al., 2011; see also Section 6.2).

Another impact of dams is the reduced levels of sediments transported downstream, which undermines coastal ecosystem integrity through loss of the land-stabilizing benefits of healthy sediment flows. In some cases, this could increase vulnerability to storm events. Globally, dams in river systems are estimated to trap 4–5 Gt/year (Vörösmarty et al., 2003), or approximately 25%, of total sediment transport (GEA, 2012).

9.2.2 Bioenergy
Bioenergy refers to the renewable energy derived from biomass or biological sources, such as firewood, biofuels, agricultural by-products, charcoal, peat and dung. Globally, renewables (including hydropower) account for 18% of the primary energy used in the world (Figure 9.2). Bioenergy dominates, accounting for 78% of renewables (14.1% of the total), the majority of which comes from traditional biomass (68% of bioenergy) (Banerjee et al., 2013). More than two billion people in the world rely on firewood and charcoal for their daily energy needs (REN21, 2012) (Table 1.1). When used for cooking indoors, this leads to high levels of indoor air pollution, affecting particularly poor women and children (Section 1.1). Biomass is also used on a larger scale for the generation of electricity in power plants consuming wood chips and forest residues (Figure 9.2).
Regardless of scale and type, all forms of biomass energy need land and water (UNEP, 2011a); they are directly dependent on the continuous delivery of supporting and regulating ecosystem services such as nutrients for the soil, pollination and water regulation. Healthy ecosystems are in turn essential for meeting the energy needs of poor people (e.g. in the case of fuelwood, the environmental water requirements of forest systems must be met and the erosion of savannah-type ecosystems prevented).

It is difficult to assess the water consumption of bioenergy in general, as opposed to specific biofuels. Livestock, for instance, is an important asset for traction power and transport (a form of bioenergy), meat and milk production, manure (often used as fuel), leather and horns. Livestock water productivity calculations aim to include all benefits per consumed unit of water (Peden et al., 2009). Adding the ecosystems dimension makes the calculations more complicated. If manure is brought back into the ecosystem, it will help nutrient and water cycling, soil formation and, by increasing both fertility and structure of the soil, contribute to the reduction of erosion. However, the same manure can also be used for construction and as fuel for cooking. In the latter case, much of the nutrients are lost to the ecosystem.

Biofuel, as a specific type of bioenergy, is often promoted as an alternative to fossil fuels to reduce GHG emissions (Sections 3.2.2, 6.5). Increasing surface area for biofuels under conventional agriculture leads to sometimes disproportionate increases in the use of land, water (de Fraiture et al., 2008), fertilizers, pesticides, herbicides (GEA, 2012) and other inputs. Hence, unsustainable biofuel production can have significant local implications for the state of water resources (including downstream pollution), land ownership, food security and ecosystems (FAO, 2008). Expansion of biofuel production, and its attendant shift and expansion in agricultural and forestry activity, has raised a number of environmental and social concerns, ranging from potentially increased GHG emissions to labour rights abuses, deforestation (with its own impacts on water flows as well as on firewood provision) and reduced food security (e.g. Fargione et al., 2008). Environmental impacts appear to be less in the case of algal biofuels (Moazami, 2013), though this technology needs to be proven effective beyond the pilot level. New policies and guidelines to better monitor and manage future biofuel production are needed (Groom et al., 2008).

9.2.3 Fossil fuels

The extraction, processing and use of fossil fuels have many impacts on today’s ecosystems through water use, pollution and production of GHGs. Oil spills, damaged land, accidents, fires and incidents of air and water pollution are gaining attention in addition to GHG emissions. Oil frontiers are inevitably reaching remote or undeveloped sites, some of which are in environmentally vulnerable or sensitive areas, such as the Iraqi Marshlands of Mesopotamia (Box 9.1). The Ogoniland in Nigeria used to be a wetland high in biodiversity, but oil spills and oil well fires have destroyed the ecosystem and with that, the livelihoods of indigenous communities (UNEP 2011c).

**Box 9.1 Impacts of oil extraction in Mesopotamia, Iraq**

The Iraqi Marshlands of Mesopotamia comprise the largest wetland ecosystem in West Eurasia. As the ultimate destination for the Tigris and Euphrates waters flowing in the arid region, the Marshlands are vulnerable to hydrological, social, political, economic and environmental events upstream. The Marshlands, which supported rich biodiversity, traditional indigenous lifestyles, and unique natural and cultural landscapes, had been almost destroyed by the time the Iraqi regime collapsed in 2003 because of over-exploitation, a lack of coordinated management and political ill will. Although the new Iraqi government and the international community have made restoration and conservation efforts since 2003, exploitation of supergiant oil reserves near and within the Marshland areas could undo any progress. Water needs for oil extraction will place extra pressure on scarce freshwater resources in the Marshlands and thus threaten many aquatic ecosystem services. Enhanced oil recovery (EOR) requires water injection and water steam to displace and move oil to nearby wells through enhanced recovery wells. Normally, 30% of the oil in a reservoir can be extracted (known as the recovery factor), but EOR increases this and maintains the production rate over a longer period. The oil companies operating in the area would demand approximately one billion m$^3$ using the least water-consumptive EOR method when oil production is increased to 12 million barrels (1.4 million m$^3$) per day.

Source: UNEP, from UNEP (2007) and UN (2010).
Water quality can be degraded at every step of the fuel cycle (Allen et al., 2012) in fossil fuel production and use. Extraction, refining and combustion of fossil fuels can pollute water in many ways, through both regular operations and accidental releases. Approximately 15–18 billion m³ per year freshwater resources are contaminated by fossil fuel production, with significant implications for ecosystems and the communities that depend on the water for drinking or to support their livelihoods. At the global level, the single greatest water impact generated by fossil fuels comes from their combustion and the subsequent climate change, which will have major, long-term impacts on water availability and quality across the planet (Allen et al., 2012).

Hydraulic fracturing uses large amounts of water to extract oil or natural gas from deep rocks (Section 3.2.1). The risk of significant effects due to water abstraction could be high where there are multiple installations. Hydraulic fracturing has recently come under international scrutiny due to its potential environmental impacts. Several studies point out risks to surface water and groundwater contamination, freshwater depletion, biodiversity impacts, land-take, air pollution, noise pollution and seismicity (EC, 2012b; US EPA, 2013). Risks include discharges into surface waters, disposal into underground injection wells, spills or faulty construction, explosions from pipeline construction, water contamination with toxic substances (leading to long-term health impacts), and soil and air pollution (Peduzzi, 2012; IEA, 2012).

9.3 An ecosystems approach to the water–energy nexus

Expansions of all types of energy generation should be planned with an ecosystem perspective (Hoff, 2011). While formal EIAs can quantify the effects that energy generation and water use have on the environment, IWRM can make an ecosystem approach operational in the context of green growth. IWRM encompasses systematic basin hydropower planning, strategic basin water allocation and environmental flows assessment. These all necessitate valuation and use of natural infrastructure. Tools that further support the application of an ecosystems approach include payments for environmental services (PES), remediation through sustainable dam management and strategic basin water investment. Some tools that are most relevant for water management as an entry to the nexus are highlighted below.

9.3.1 Valuing natural infrastructure

Nature can provide critical infrastructure functions for energy provision – in many cases this natural or ‘green’ infrastructure can complement, augment or replace the services provided by traditional engineered infrastructure (Krchnak et al., 2011). Mixed infrastructure in river basins may result in cost-effectiveness, risk management and sustainable development that are closer to optimal. Improved water resources and natural infrastructure in the form of healthy ecosystems can reinforce each other and generate benefits in the water–energy–food nexus (Hoff, 2011). Ongoing degradation of water and land resources in river basins threatens energy provision. It could be reversed through protection and restoration initiatives, re-establishing natural capacities that support protection against increased climate variability and extreme events (Bergkamp et al., 2003). Some examples of natural infrastructure are described below.

- Wetlands deliver a range of ecosystem services (Krchnak et al., 2011), including regulation of water flows. However, headwater wetlands may actually increase flood flows and decrease low flows (McCartney et al., 2013). Wise use of wetlands is essential for maintaining an infrastructure that can help meet a wide range of policy objectives, including the provision of energy (Box 16.5).

- Healthy floodplains reduce downstream flood peaks by giving rivers the space they need to dissipate peak flows (McCartney et al., 2013; V&W, 2006).

9.2.4 Thermal power plants

Many thermal power plants use water from nearby rivers or lakes for various processes, especially cooling. Cooling water intake structures can have adverse effects on aquatic fauna, while water released back into water bodies is usually very warm and sterile, disrupting local aquatic ecosystems and potentially altering local habitats and species (Teixeira et al., 2009; Yi-Li et al., 2009). Water in most fossil fuel power plants is also used in other processes, such as flue gas desulfurization, ash handling, coal washing and dust removal. These add pollutants to the water streams, which can have negative impacts on the ecosystem. Moreover, air emissions from thermal power plants’ fuel combustion can contain mercury, sulphur and nitrogen oxides, among other chemicals, which may settle and impact water quality and aquatic ecosystems downstream.
Floodplains are also widely used as grazing grounds, feeding animals that subsequently provide draught power and manure for fuel, and fertile floodplains can be used for biofuel production.

- Coastal wetlands, mangroves, barrier reefs and islands protect inland areas against erosion and storm damage and also attenuate tidal and storm surges, as witnessed in the Asian tsunami of 2004, where damage from coastal inundation was reduced where mangroves were intact (UNEP-WCMC, 2006). Mangrove forests can, if exploited wisely, serve as sustainable providers of firewood and protect critical energy and transport infrastructure (Chong, 2006; Macintosh and Ashton, 2002).

Analytical tools can be used to quantify the services provided by ecosystems and estimate their economic value (TEEB, 2010). An ecosystems approach increases understanding of the interlinkages between water and energy and provides support to decision-making processes, which is fundamental to charting a course to a green economy (UNEP, 2011b, pt 1, ch. ‘Water’). Economic valuations of the infrastructure benefits of ecosystem services can include market prices for products (e.g. wetland fisheries), the cost of replacing ecosystems through engineering (e.g. water filtration) or the costs of damage avoided (e.g. flood attenuation) (Emerton and Bos, 2004). In some cases, natural infrastructure can be integrated within financing for engineered infrastructure. In many cases, natural ecosystems can provide ecosystem services at a lower price or with higher economic returns than hard engineered approaches, as in the case of wetland restoration (Russi et al., 2013).

9.3.2 Payments for ecosystem services
The approach of payments for ecosystem (or environmental) services (PES) has often focused on supporting watershed protection and water quality enhancements that help water supply by regulating flows (Wunder et al., 2008). It has been suggested that farmers should receive payments or ‘green water credits’ from downstream water users for good management practices that support and regulate ecosystem services, thereby conserving water and increasing both water availability and quality for downstream users (ISRIC, 2007).

Environmental service fees encourage individuals and businesses to internalize the value of ecosystem services. These fees have been established in a number of places around the world, particularly in Latin America (Smith et al., 2006). For example, in the Sarapiqui watershed in Costa Rica, a hydropower company pays US$48/ha per year to upstream landowners for forest management and restoration. The payment is based on the costs of reservoir dredging that the company avoids and the operational benefits of more reliable stream flow that can be used for hydropower (Hanson et al., 2008).

The success of PES schemes depends to a large extent on access to a secure source of funding. This is the case when schemes are operated on the basis of a mutual agreement on the specific ecosystem services required and a price agreeable to the providers and the users. As most government-financed schemes depend on general revenues, typically cover large areas, and are subject to political risks, these are likely to be less efficient and less sustainable (Pagiola and Platais, 2007; Wunder et al., 2008).

Ongoing degradation of water and land resources in river basins threatens energy provision. It could be reversed through protection and restoration initiatives.
9.3.3 Strategic river basin development
A common vision for economic development and environmental sustainability, achieved through approaches from consensus-building among stakeholders to integrated planning, can be the basis for strategic investments in multiple sectors (Krchnak et al., 2011). In response to frequent severe flooding in the Magdalena River basin, the Government of Colombia has given central importance to an ecosystem-based approach to regulating planning and development to make sure that future economic activity in the basin – especially hydropower and agriculture – is regulated to take into account river dynamics, flows, other water uses and adaptation to climate change. This key river basin produces 86% of the country’s GDP, 75% of its agricultural production and more than 90% of its lucrative coffee crop, as well as 70% of its hydropower and 90% of its thermal power. With its combination of natural and man-made infrastructure, the Magdalena provides a vast transportation network of interconnecting rivers, channels and canals that link producers to global markets (Krchnak et al., 2011). Strategic river basin planning can help build synergies between water, energy and environmental concerns (Pegram et al., 2013).

9.3.4 Sustainable dam management
Throughout the various processes of energy provision, measures can be taken to reduce the impacts of water-energy interactions on ecosystems. Many methods have been developed to address the sustainability of hydropower, such as the Rapid Basin-wide Hydropower Sustainability Assessment Tool (RSAT) and the Hydropower Sustainability Assessment Protocol (HSAP). The need for new dams could be reduced by retrofitting existing dams with power generation installations and other ways of turning them into multi-purpose structures, as well as increasing operational efficiency by better integration of natural infrastructure in catchments.

The negative impacts of current dams on fish and other aquatic life can be reduced by applying decision models that include environmental flows and other such considerations in the management of hydropower dams (McCartney, 2007). Better design elements such as modified intake screens, acoustic deterrent systems, barrier nets and variable speed pumps can reduce the negative impacts substantially. Sustainable dam management goes a step further and is based on designing new and regulating existing infrastructure to address overall system health (Box 9.2).

9.3.5 Conservation and remediation
Actions to avoid land degradation contribute to savings in water and energy consumption by, for example, increasing groundwater recharge and soil water storage or reducing the use of energy intensive fertilizer (Hoff, 2011). In this way, water conservation can also help reduce GHG emissions (Maas, 2009). Managing for multiple uses below the basin level can also reduce pressure on water resources by increasing water productivity, for example when irrigation canals, downstream of a hydropower dam, are used for aquaculture, or when water from laundry basins is diverted to vegetable plots (Van Koppen et al., 2009). Water can yield more ecosystem services when it is managed not for a single purpose such as crop production but as part of a multifunctional landscape of agro-ecosystems, thus also benefitting biodiversity, groundwater recharge and erosion control (Keys et al., 2012; Boelee et al., 2011).

See Chapter 26 (Volume 2) for the case study ‘The Four Major Rivers Restoration Project as a part of the National Green Growth Strategy in Republic of Korea.’

22 For more information, see http://www.mrcmekong.org/news-and-events/news/innovative-tool-for-mekong-basin-wide-sustainable-hydropower-assessment-launched/

23 For more information, see http://www.hydrosustainability.org/
PART 3  REGIONAL ASPECTS

CHAPTERS
10. Europe and North America
11. Asia and the Pacific
12. The Arab region
13. Latin America and the Caribbean
14. Africa
The regional chapters of Part 3 cover Europe and North America, Asia and the Pacific, the Arab region, Latin America and the Caribbean, and Africa. The delineation of the five regions follows the regional division of the United Nations regional economic commissions (UNECA, UNECE, UNECLAC, UNESCAP and UNESCWA; maps of the Member States can be found in the fourth edition of the WWDR [WWAP, 2012, ch. 7]). For the Arab region and Africa chapters, it was decided (in agreement with UNECA and UNESCWA) that all the Arab countries would be reported on in the Arab region chapter rather than having some of them included in the Africa chapter.

The UNECE region, extending from North America, through Europe to Central Asia, is highly diverse in terms of water resources availability, energy sources and energy mix, and socio-economic development. While the challenges at the interface of water and energy differ, a few major issues emerge across the region.

Renewed interest in hydropower may allow capacity expansion of other renewable energy sources, reduce carbon dioxide emissions and, in some cases, better cope with the predicted increase in variability of flows. However, there are also related concerns. In many areas, hydropower generation is in conflict with other water uses, notably irrigated agriculture. Hydropower is one of the main drivers of hydromorphological alteration, loss of connectivity and change in the flow of water and sediment. In the EU in particular, numerous projects are under way to address the negative impacts of hydromorphological changes, such as restoration of habitats and river continuity (e.g. ICPR, 2010).

Because of concerns related to the safety of nuclear power plants, many European countries (e.g. Germany, Sweden, Switzerland) are presently considering reducing or even phasing out nuclear power generation.

Freshwater supplies are increasingly augmented by highly energy intensive methods (e.g. desalination), especially where water scarcity prevails. Limited policy coherence may aggravate the situation because of the complex interlinkages between water and energy issues. Informing policy formulation requires suitable data and information (OECD, 2010a). Where transboundary impacts may occur, consistency of data across borders is necessary for an accurate and holistic view. A better understanding of inter-sectoral impacts, trade-offs and benefits is needed to inform dialogue.

The recent call for a coordinated approach to better manage energy and water trade-offs in the USA resonates with the rest of the UNECE region: improved energy and water planning will require better coordination among national/federal agencies and other stakeholders as well as consideration of impacts to both resources (US GAO, 2013). Uncertainties in climate change, population growth and demographic shifts are expected to exacerbate the challenges associated with managing both the supply and demand of water and energy, and need to be accounted for when developing national policies (Howells et al., 2013; US GAO, 2013).

### 10.1 Hydropower

The region's hydropower sector is mature, and developments focus on modernizing and refurbishing existing plants as well as expanding pumped storage capability (Figure 10.1). In Europe and in North America, some 65% and 61%, respectively, of hydropower generation potential is estimated to have been already developed, according to the IEA (IEA-EC, n.d.). Some countries are still developing new capacity. Additional pumped storage facilities to balance supply with demand are under construction in the European Economic Area and the USA. In 2008, hydropower generated 16% of Europe's electricity; there are currently more than 7,000
large dams and a number of large reservoirs in Europe (EEA, 2009). Hydropower has been a particularly dominant aspect of industrial development in the northern and Alpine countries.

The renaissance in expanding pumped storage capacity in Europe (Figure 10.1) is driven by the increasing share of intermittent electricity sources, such as wind and solar, in the energy mix, which stored electricity helps to integrate. The increasing development of renewable energy sources is spurred by the Renewable Energy Directive,\(^{25}\) which lays down legally binding targets; notably, a 20% share of renewable energy in the EU by 2020. There are significant new development projects in the pipeline in South-Eastern Europe, Eastern Europe, the Caucasus and Central Asia.

High investment requirements and environmental impacts of large-scale projects have increased interest in the construction of small-scale hydropower installations, especially in remote rural areas. But there are some barriers to this approach. For example, in Albania, where most energy is produced by hydropower, small individual projects are not necessarily well structured (reducing their appeal to investors), equity capital is lacking, and capacity and public awareness are low (UNECE, 2009).

**10.2 Conflicts over water use between energy and other sectors, and across borders**

In parts of the UNECE region, conflicts exist over water for irrigated agriculture (over the growing season) and for hydropower generation (particularly in winter). For transboundary rivers, it may be particularly difficult for the multiple countries affected to reconcile their different uses over different time periods regarding flow regulation,

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\(^{24}\) The European Economic Area includes the EU, Iceland, Norway and Liechtenstein.

although there are examples of joint management of regulation infrastructure. Hydropower development projects are planned in South-Eastern Europe and in the Caucasus, many of them on transboundary rivers; for example, the Sava, Bosna, Morača, Vjosa and Devoll in South-Eastern Europe (ECA-Watch/Euronatur, 2012) and the upper reaches of the Aras and the Kura in Turkey as well as the Çoruh. In Central Asia the conflict between sectoral water uses is particularly prominent. The construction of a number of new dams, mainly for hydropower but also for irrigation purposes, was initiated in the 2000s, with ongoing and planned projects at least on the Naryn, Tejen and Vakhsh rivers. Some of these are heavily disputed between the riparian countries due to concerns about transboundary effects. Because of facility ageing and inadequate maintenance, concern has grown in recent years over the safety of more than 100 large dams and other control facilities in Central Asia, located mostly on transboundary rivers (UNECE, 2011a).

Responses to intersectoral conflicts over water use can include a more commercial approach to structuring and regulating energy markets (World Bank 2010c); a wider view of the benefits of cooperation (going beyond allocating volumes of water); and a strengthened institutional basis for project development and management (UNECE, 2011a; Granit et al., 2012).26 Such responses also relate to the water–energy–food nexus in a broad sense. Shortcomings in energy infrastructure and trade as well as problems in transboundary and broader cooperation in Central Asia do not presently allow for resolution of the conflict between water use for hydropower and irrigated agriculture. Environmental impact assessments of planned infrastructure projects with potential significant adverse transboundary effects on shared waters should be carried out more systematically.27

10.3 Coping with water scarcity

Inefficient use of water leads to higher energy use, with extra financial and environmental costs. However, even the application of more efficient irrigation methods may introduce higher energy requirements (Box 10.1; Chapter 6).

Southern European countries and parts of the USA are increasingly using desalination to meet their water needs, with significant implications on energy consumption.

10.4 Climate change outlook and effects of water scarcity on thermoelectric power plants

Thermoelectric power plants produce 91% of total electricity in the USA and 78% in Europe. Cooling water scarcity during recent warm, dry summers led several thermal (nuclear and fossil-fuelled) power plants in Europe and the south-eastern USA to reduce production. Climate change is expected to aggravate the situation in areas where lower summer flows and higher river water

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26 The UNECE’s assessment of water-food-energy-ecosystems in selected transboundary river basins (2013–2015) will provide analysis as well as further the identification of and dialogue on opportunities for synergy and cooperation.

27 Guidance on such assessment is provided by UNECE instruments: the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Helsinki Convention) and the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention).

Source: UNECE, from Hardy et al. (2012).
temperatures are anticipated (van Vliet et al., 2012). An increase in and spread of water scarcity and stress is predicted to affect about half the river basins in the EU by 2030 (EC, 2012c). Countries that depend on imported energy may also be exposed to effects of change and variation in climatic conditions (e.g. the Netherlands; Rübbelke and Vögele, 2011). In Western Europe and the USA, roughly 50% of water is abstracted for energy production as cooling water, and the majority of this is discharged to water bodies at a higher temperature (EEA, 2009).

10.5 Extraction of natural gas and oil from unconventional sources

The USA has experienced a tremendous expansion of natural gas extraction from unconventional sources28 with hydraulic fracturing ('fracking'), due to technical developments that have made the extraction more economically viable (IEA, 2012d; Cooley and Donnelly, 2012). Between 2005 and 2010, shale gas production in the USA grew more than 45% per year. Parts of the UNECE region also have potential unconventional natural gas resources, some of which have been explored, notably in France, Germany, Poland, Sweden and the United Kingdom (UK). Increasing indigenous energy production and diversifying energy sources are behind the appeal of unconventional natural gas resources, but concerns about the impacts of hydraulic fracturing on the environment and on water resources specifically (Section 3.2.1) have raised public opposition in the above-mentioned countries (IEA, 2012d).

Canada faces water management challenges related to exploiting large, low-quality unconventional petroleum reserves in oil (tar) sands (e.g. University of Toronto/University of Alberta, 2007). Medium- and long-term impacts remain unclear, and recent independent reports emphasize the need for improved monitoring to ensure the sustained functioning of aquatic ecosystems and public health in human settlements downstream (CESD, 2010; Royal Society of Canada, 2010).

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28 Definitions of the categories are available from IEA (2012d, p. 18).
Nowhere is the critical inter-relationship between water and energy more evident than in the Asia-Pacific region, considering its huge population and size. Home to 61% of the world's people and with its population expected to reach five billion by 2050 (UNESCAP, 2011), the region’s rapid population growth is accompanied by a burgeoning economic presence. The Asian Development Bank (ADB) estimates that developing Asia has an average 6% annual GDP growth, and forecasts a massive rise in energy consumption in the Asia-Pacific region: from barely one-third of global consumption to 51–56% by 2035 (ADB, 2013). The ability to address issues of water availability and distribution will play an important role in the region’s capacity to grow and develop. Some areas of the region have water in abundance, with current withdrawals in at least 11 UNESCAP Member States below 10% of total actual renewable freshwater resources (TARWR). Asia’s per capita freshwater availability nonetheless remains half of the global average (FAO, 2011), and almost 380 million people do not have access to safe drinking water (UNESCAP, 2013). Compounding chronic uncertainties in water availability and quality is the fact that this region is the most vulnerable to climate change impacts in the form of extreme weather-related disasters (UNESCAP, 2013).

Asia is also where 46% of the global primary energy is produced (UNESCAP, 2011). Coal is the most prevalent energy product within the region, with China and India together extracting more than half of the world’s total output (World Coal Association, 2011). There is also a growing market for renewable sources such as biofuel, with China, India, Malaysia, the Philippines and Thailand among the leading regional producers (UNESCAP, 2012). Both coal and biofuel require vast amounts of freshwater (Chapter 3), and some areas within the region are already deemed water-scarce (Figure 1.1).

Potential sites for hydropower development exist in upstream countries of South-East Asia and South Asia (Figure 3.11), and the majority of added capacity on a global scale in 2011 occurred in Asia (REN21, 2012). But concern over the potential adverse effects of hydropower raises other issues, for example in the lower Mekong delta, where 45 million people are reliant on the river system for their livelihoods and sustenance (ADB, 2013). Twelve dams are set for construction in 2011–2015, and altered river ecology and disrupted fisheries are critical issues (Orr et al., 2012).

Whether considering water use in energy production or energy requirements for water service provision, concerns over water availability and energy demand in the Asia-Pacific region are compounded by environmental considerations. The application of multi-scale integrated analyses could be useful in evaluating trade-offs based on societal and ecosystem functioning and requirements. For example, FAO and LIPHE4 (a non-profit scientific association) are studying current trends in future options for balancing food production and groundwater pumping, given the potential reduction of subsidies for electricity use in agriculture, against local sustainability criteria in Punjab, India (FAO/LIPHE4, 2013).

11.1 Hydropower

The potential for hydropower generation in countries such as Bhutan, Lao People’s Democratic Republic and Nepal, and in countries with large populations such as China, India and Thailand presents an economic opportunity, particularly as cross-border power interconnections increase (e.g. ASEAN Power Grid, SAARC Market for Electricity, proposed Asian Energy Highway).

Countries with short, swift rivers can benefit from small hydropower installations (100 kW to 30 MW capacity), particularly if these are integrated with land use plans and overall economic development. Such countries include the Democratic People’s Republic of Korea, Indonesia, Malaysia and the Republic of Korea, as well as some of the small island developing states (SIDS) in the Indian Ocean, Pacific Ocean and South China Sea. Installations may also be advantageous on certain tributaries of big rivers, particularly if these projects extend benefits to rural communities and the alteration of flow patterns does not have significant downstream effects. Small-scale projects

29 ADB’s Asia-Pacific region excludes the Russian Federation.
**11.2 Coal**

While already heavily reliant on coal, Asia's demand for this primary energy source is projected to increase by 47% in coming years, which will account for 119% of the global total increase in demand (IEA, 2010). The location of water intensive coal mining in water-scarce areas is becoming increasingly controversial in many parts of Asia; for example, in India, where 16% of the world's population has access to only 4% of its water resources (InfraInsights, 2013). Given that coal contributes to more than half of India's primary commercial energy, and is likely to do so for the next few decades, concern is mounting over falling water tables in areas already struggling to meet water demand (Sreenivas and Bhosale, 2013). Expansion plans for coal power plants in China and India could be unachievable due to water scarcity issues (Adelman, 2012).

Continued coal production and growing energy demand in the Asia-Pacific region is closely aligned with high population and economic growth. This expansion can offset burgeoning investments in renewable or cleaner energy. China, although one of the largest producers and users of coal in the world, was also the dominant country for investments in renewable energy in 2012, with commitments rising to US$67 billion – a 22% increase from 2011 (Frankfurt School-UNEP Centre/BNEF, 2013). Other nations have set ambitious goals in energy system transitions. As South-East Asia's biggest economy, Indonesia intends to increase renewable energy usage to 17% by 2025, a shift aided by co-financing mechanisms targeted at developing geothermal and biomass capacities (Climate Investment Funds, 2013). At the same time, Indonesia overtook Australia as the world's largest exporter of coal in 2011 (ADB, 2013), and its domestic consumption (under 23 million tonnes less than a decade ago) has been projected to reach 72 million tonnes by 2020 (Indrayuda, 2005).

Serious concerns about water quality degradation as an effect of coal mining in many parts of the region are being raised. Without careful regulation, contamination from acid mine drainage can seriously compromise ground and surface water resources. A recent water quality survey of the Grose River in Australia – an area with a history of more than a century of mining operations in an otherwise pristine region of the Greater Blue Mountains – detected a considerable level of water contamination, a result of leaching from the disused mines (Wright et al., 2011).

Existing and potential hotspots in Asian transboundary river basins develop where issues and challenges for both energy and water have political and socio-economic implications at local and basin levels. Areas of conflict include the Aral Sea, Ganges-Brahmaputra River, Indus River and Mekong River basins. The Mekong River basin in South-East Asia spans Cambodia, China, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam. Although a 2011 Environmental Impact Assessment of the Mekong River Commission indicated that the 11 proposed mainstream dam projects could reduce the GHG emissions of the regional power sector by 50 million tonnes by 2030, severe ecological consequences such as disruption of fish migration, erosion and biodiversity loss are anticipated (MRC, 2011). In the Ganges-Brahmaputra River basin (Bangladesh, Bhutan, China, India and Nepal), the Zangmu Dam in Tibet, a run-of-the-river facility slated for completion in 2015, as well as the recent approval of three more Brahmaputra dams as part of China's Twelfth Five Year Plan, are raising concerns over downstream effects in India and Bangladesh.

Coal is the most prevalent energy product within the region, with China and India together extracting more than half of the world’s total output. There is also a growing market for renewable sources such as biofuel, with China, India, Malaysia, the Philippines and Thailand among the leading regional producers. Both coal and biofuel require vast amounts of freshwater, and some areas within the region are already deemed water-scarce. in Tajikistan, for example, are helping rural communities such as in Bozorboi Burunov Jamoat gain access to social services and secure a reliable heat source in the cold winter months (UNDP, 2011).
11.3 Biofuels

Asia is increasingly recognized for its potential to develop into a significant market for and exporter of biofuels (Zhou et al., 2009). Indonesia and Malaysia are the top two global producers of palm oil (InfraInsights, 2013), and China is the third largest producer of biofuels overall in the world (European Biofuels Technology Platform, 2009). India, the Philippines and Thailand are major new contributors to the biofuel industry (PR Newswire, 2009). A recent study from the Global Biofuels Center points to tremendous growth in overall ethanol production in the Asia-Pacific region, which could amount to as much as 20% of total global production by 2015 (Adelman, 2012).

There is a hope that the evolving biofuel industry will help job growth in several developing nations. Indonesia, currently producing almost 45% of the world’s total palm oil with around 8% of land designated for this purpose (Climate Investment Funds, 2013), has targeted biofuel development as a way to increase the income of on- and off-farm workers (Komarudin et al., 2010). In China, growing interest and investment in advanced biofuel technology could potentially lead to the creation of 2.9 million jobs by 2030 (Bloomberg, 2012).

Although it provides a cleaner energy source and is a potentially strong economic driver, the biofuel industry has large water requirements that could exceed capacity in some regions (Section 3.2.2). China, already facing a pressing shortage of water and shrinking supply of arable land, has a goal of producing 12 million metric tonnes of biodiesel by 2020 (Timilsina and Shrestha, 2010) – a target that requires an amount of water approximately equivalent to the annual discharge of the Yellow River (ADB, 2013). Solutions in impact mitigation could lie in biofuel production from agricultural by-products or waste, or investments in algal fuel production as its cost efficiency improves. Research and development in algal fuel in many parts of the Asia-Pacific region, such as Japan and Korea, is resulting in its gaining ground as a sustainable alternative to biofuel and biomaterial production.
Although Arab countries form a homogeneous geopolitical region that is among the water poorest of the world (WWAP, 2012, ch. 33), countries can still be clustered according to the severity of their water scarcity and their energy endowments. Member countries of the Gulf Cooperation Council (GCC) are among the water poorest in the region, but thanks to their prodigious oil and gas reserves, they have the economic capacity to overcome water scarcity through desalination and to consume water at rates that are among the highest in the world. In contrast, four of the region’s six least-developed countries (the exceptions being Djibouti and Yemen) have an annual per capita water share that exceeds the water poverty level of 1,000 m\(^3\), yet they are unable to mobilize economic growth; oil production in Sudan and Yemen has not helped to improve water use efficiency or water security in either country. With the exception of Iraq and Lebanon, the low to middle income countries in the region have an annual per capita share of renewable water resources that falls below the water poverty line (UNESCWA, 2013\textsuperscript{a}) and are struggling to achieve energy security; many are seeking to reorient their energy mix towards renewable energy sources to meet growing demand for water and energy services.

12.1 Increasing knowledge and awareness-raising for policy coherence

The Arab region is seeking to improve understanding and awareness of the water–energy nexus at the policy and operational levels. While IWRM has been promoted in the region for more than a decade, limited understanding of the interdependencies affecting the management of water and energy resources has stymied coordination between the water and energy policy-makers, even when these sectors are managed within the same ministry.

Energy requirements for surface and ground water extraction are not regularly monitored in the region, while energy demand for desalination processes continues to increase. Although energy requirements for water supply services differ depending on the type of pump used, the efficiency of a water supply system and the topographic conditions, there is a need to improve the monitoring and management of energy resources used in the production and distribution of water. Approximately 0.36 kWh is needed to lift 1 m\(^3\) water a vertical distance of 100 m, and 0.04 kWh is needed for pumping 1 m\(^3\) water a horizontal transfer distance of 100 km (UNESCWA, 2009\textsuperscript{b}). This is particularly significant when considering the energy costs associated with the distribution of water desalinated along the coastline to inland communities in the Arabian Gulf and southern Mediterranean countries. The energy requirements for producing and distributing desalinated water would be prohibitive for the water-scarce city of Sana’a, Yemen, which lies 2,200 m above sea level, and thus desalination cannot be considered a sustainable solution for what may be the first capital city in the region to run out of water (UNESCWA, 2009\textsuperscript{b}).

Limited coordination between the water, energy, electricity and agriculture sectors leads to conflicting policies and development objectives. For example, energy costs for groundwater pumping at increasingly greater depths are increasing production costs and reducing revenues for small-scale farmers in Jordan, Lebanon and Palestine. Water operators in Jordan, Lebanon and Yemen complain of high energy costs and the rationing of...
Plants can produce more energy than is needed for treatment (WERF, 2011). This is partially because most wastewater treatment plants in the Arab region are based on aerobic treatment systems that are commonly found in Europe, the USA and cooler climates. Anaerobic technologies for wastewater treatment are more suitable for the warmer Arab region and are more energy efficient because they do not require energy for aeration to maintain the dissolved oxygen levels needed for aerobic bacterial growth. In addition, anaerobic processes can produce biogas, which can fuel the treatment facility, and digested sludge cake, which can be processed into safe, high quality agricultural fertilizers. Investments in sanitation thus present opportunities for biogas production in some Arab countries, based on regional specificities (Box 16.3).

12.2 Informing technology choice and renewable energy options

The Arab region is situated in a sunbelt that receives about 300 sunny days per year. The annual direct solar irradiation in all Arab countries exceeds the defined threshold for economic potential for concentrating solar power (UNESCWA, 2010). This has prompted research and development and investment in solar desalination in the Mashreq and Maghreb (Box 12.2) (see Chapter 20 [Volume 2] for the case study ‘Desalination in Gulf Cooperation Council countries’).

Energy recovered from wastewater treatment plants (Section 5.2.4) is almost non-existent in the Arab region, even though the best-performing wastewater treatment plants can produce more energy than is needed for treatment (WERF, 2011). This is partially because most wastewater treatment plants in the Arab region are based on aerobic treatment systems that are commonly found in Europe, the USA and cooler climates. Anaerobic technologies for wastewater treatment are more suitable for the warmer Arab region and are more energy efficient because they do not require energy for aeration to maintain the dissolved oxygen levels needed for aerobic bacterial growth. In addition, anaerobic processes can produce biogas, which can fuel the treatment facility, and digested sludge cake, which can be processed into safe, high quality agricultural fertilizers. Investments in sanitation thus present opportunities for biogas production in some Arab countries, based on regional specificities (Box 16.3).

12.2 Solar desalination in the Mashreq and Maghreb

Solar energy investments are increasing in the Arab region for desalination and the creation of green industries. The King Abdul-Aziz City for Science and Technology in Saudi Arabia launched a national initiative for water desalination using nanotechnology to produce solar energy and water desalination membranes at low cost. The first phase of the initiative was achieved by building a solar energy-powered water desalination plant in Khafji with a production capacity of 30,000 m³ per day (KACST, 2012). Egypt constructed its first concentrating solar power system generating 140 MW solar power; another concentrating solar power project of 100 MW is in preparation (NREA, 2012). In the United Arab Emirates, a solar photovoltaic power plant was inaugurated in Masdar City in June 2009 and produces about 17,500 MWh of clean electricity annually. However, the site faces challenges in supplying the freshwater necessary to remove dust and sand that accumulates on the solar panels. Nevertheless, a 100 MW concentrated solar power project remains in preparation nearby; it will extend over an area of 2.5 km² and have a solar field of 768 parabolic trough collectors to generate clean, renewable electricity (Masdar, n.d.). During the UNFCCC 18th Conference of the Parties (COP-18) held in Doha in December 2012, the Government of Qatar reaffirmed its goal to meet 80% of its freshwater needs through a 1,800 MW solar-powered water desalination plant. Solar and wind energy investments are also strongly promoted in Egypt, Morocco and Tunisia. In Morocco, the current energy strategy plans a very quick development of the renewable energy sector and aims to satisfy 42% of the national energy needs through renewable energy production by 2020.

Source: UNESCWA.
With the exception of Iraq and Lebanon, the low to middle income countries in the region have an annual per capita share of renewable water resources that falls below the water poverty line and are struggling to achieve energy security; many are seeking to reorient their energy mix towards renewable energy sources to meet growing demand for water and energy services.

12.3 Addressing climate change and natural disasters
Climate change is directly and indirectly impacting production and consumption of water and energy resources in the Arab region. Rising temperatures are increasing evapotranspiration rates and water demand in an already thirsty agriculture sector. As temperatures rise, so does the need for cooling, which requires water and electricity for industry and housing units. Energy efficiency in the building sector is being promoted in the Gulf and the Mashreq, as are closed-loop cooling systems in industrial and commercial facilities. Sea level rise associated with climate change presents risks to urban and agricultural development in low-lying coastal areas along the Egyptian delta and across the island state of Bahrain. Real estate investments on artificial islands, desalination plants and offshore oil installations are also being affected by extreme weather events and sea surges that have been felt more prevalently over the past decade along the eastern Arabian Peninsula. Flooding has strained ageing or inadequate stormwater systems, while drought has forced farmers to migrate to cities, increased the price of food and fostered social unrest.

With a view to increasing understanding of the impact of climate change and extreme events on the Arab region associated with the new radiative forcing scenarios developed by the IPCC, the United Nations, the League of Arab States and other international organizations have launched the Regional Initiative for the Assessment of the Impact of Climate Change on Water Resources and Socio-Economic Vulnerability in the Arab Region (RICCAR). RICCAR is generating regional climate modelling and hydrological modelling projections and a multi-sectoral vulnerability assessment for the Arab region (UNESCWA, 2011b), which will inform further work on the water–energy nexus and climate change adaptation as well as mitigation efforts in the Arab region.

Despite challenges, efforts are being made to improve cross-sectoral coordination and policy coherence across the water and energy domains. Intergovernmental processes have been launched (UNESCWA, 2013b) and the need for integrated approaches for achieving sustainable development, including integrated regional approaches for pursuing water security, energy security and food security, have been identified (LAS, 2011).
Water and energy inter-relationships in Latin America and the Caribbean are diverse, complex and intense. Current trends suggest that this interdependence will be subject to increased stress in the future mostly because of population growth and urbanization; rising income levels and economic growth; competition for water in river basins with concentrated economic development; and tendencies towards increasing the water intensity of energy production and the energy intensity of water provision for different uses – all this in the context of climate change. There are two principal areas of the water–energy nexus that stand out at the regional scale:

- Water use for hydropower generation
- Energy consumption in the provision of water services

This is not to say that the water–energy nexus in the region is limited to these two issues. There are various other water and energy inter-relationships, but most of them are either specific to particular areas or countries, or not unique to the region. The most important of these other issues are the following:

- The impact of electricity subsidies to farmers on aquifer sustainability (as in Mexico and Argentina) as well as on social equity. The powerful economic incentives created by these subsidies often make it virtually impossible to prevent aquifer deterioration through regulatory instruments alone (Solanes and Jouravlev, 2006). In Mexico, for example, subsidies for electricity used for pumping ‘have detrimental impacts on water demand and groundwater management, and mostly accrue to the richest farmers, making this a particularly regressive subsidy’ (OECD, 2013b).

- An increasing interest in biofuels (Saulino, 2011), although in Brazil – the main producer – ethanol primarily comes from sugar cane, which is rain fed (Scott and Sugg, 2011).

- A slowdown in the expansion of irrigated area accompanied by a shift to more water efficient, and more energy intensive, irrigation methods (as in Chile and Mexico), and its negative impact on aquifer sustainability due to increased consumptive use and reduced return flows.31

- The impacts of the use of water for cooling in thermoelectric power plants (Section 3.3.1), including the growth in the nuclear energy industry in Brazil.

- The perspectives of introducing hydraulic fracturing (Section 3.2.1) in the region, as in Argentina and Mexico, and its implications, especially for groundwater quality.

13.1 Water use for hydropower generation

Latin America and the Caribbean has the second largest hydropower technical potential of all regions in the world – about 20% (of which almost 40% is in Brazil) or approximately 700 GW. Less than one-quarter of this is developed (IEA, 2012b; OLADE, 2013). The region has experienced an impressive hydropower expansion, including large binational hydropower projects such as Itaipú, Salto Grande and Yacyretá, which are examples of the long tradition of transboundary cooperation in the region, especially since the 1970s. At present the region has almost 160 GW of installed capacity. As a result, hydropower provides some 65% of all electricity generated (even more in Brazil, Colombia, Costa Rica, Paraguay and Venezuela); in comparison, the world average is just 16% (IEA, 2012b). Hydropower development slowed

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31 Improvements in on-farm irrigation efficiency that increase evapotranspiration (e.g. because of application of ‘saved’ or salvaged water to additional crops) fail to conserve water on a broader geographic scale when irrigation return flows are an important component of basin-wide hydrology (Huffaker, 2010, p. 134). Therefore, investing in more efficient irrigation methods but allowing expansion of irrigated area is likely to actually reduce water availability, increase the energy intensity of agriculture and stress water supplies.
Given intense competition for limited water supplies and the predominant role of hydropower in river basins, conflicts increasingly arise between hydropower and consumptive uses

down between the late 1990s and the early 2000s as increased private participation resulted in a preference for less capital intensive technologies (thermal power), and also because of heightened public opposition to the environmental and social impacts of large dams.

Since then, in response to rising energy prices, escalating demand and growing concerns about climate change, hydropower development has accelerated again, predominantly in Brazil, which concentrates more than 60% of the new capacity installed in the past decade, followed at a distance by Chile, Paraguay and Mexico (OLADE, 2013). Hydropower projects play a central role in the expansion plans of many countries (IEA, 2012b), and are expected to be a major driver of new water demands in the future. At present, the emphasis is not only on large plants, capable of multi-year regulation, but also increasingly on smaller single-purpose reservoirs (the average reservoir capacity of the dams built in the 2000s is only about one-fifth of those commissioned in the 1980s and 1990s [ICOLD, 2013]), run-of-the-river plants, and modification of existing dams to increase their generation capacity. Another concern relates to the vulnerability of hydropower to climate variability. In Brazil, climate change is expected to decrease the overall reliability of hydropower, with negative effects concentrated in the North East and North regions, in terms of both average and firm energy, and positive variations in the South and South East river basins (Margulis and Dubeux, 2011).

Hydroelectric power is usually viewed as a non-consumptive water use, even though it is in part consumptive (reservoir evaporation) and has important impacts on other attributes of streamflows (timing and quality). Given intense competition for limited water supplies and the predominant role of hydropower in river basins, conflicts increasingly arise between hydropower and consumptive uses, as with irrigated agriculture in Brazil and Chile (Dourojeanni and Jouravlev, 1999), and in some cases with other instream uses, like recreation. These conflicts are particularly common where hydropower relies on reservoirs with multi-year storage to allocate streamflow to meet power demand that is often out of phase with the seasonal requirements of other water uses, especially irrigation (Huffaker et al., 1993). In Chile, conflicts emerge between farmers who prefer to store water during winter for use during the summer growing season, while hydropower requires water to be stored during summer to meet high electricity demand in winter (Bauer, 2009). As reservoirs are often located upstream and are controlled by hydropower interests, farmers sometimes find much of their water cut off during the peak of the irrigation season; in some cases, they have had to be compensated by hydropower companies. In many countries, there are concerns about the impact of dam construction and operation on aquatic ecosystems and water quality.

In Chile, the granting of water rights without the requirement of beneficial and effective use created a barrier to entry for competitors in various markets, particularly electricity generation, thus potentially reducing competition and fostering monopolization. As a result of the 2005 Water Code reform which, among other measures, introduced a licence fee for unused water rights, the situation has improved and unused water rights no longer present an impediment to energy sector development (Peña, 2005).

### 13.2 Energy consumption in the provision of water services

In comparison with other developing regions, Latin America and the Caribbean is well advanced in the provision of water supply and sanitation services: 94% of its population has access to improved water sources and 82% to improved sanitation facilities (WHO/UNICEF, 2013b). Rising energy expenditures present challenges for the water industry: energy is often the highest component of operational costs (30–40%) associated with water supply services in the region (Rosas, 2011). The reasons for this situation are manifold:

- Inefficient system design and operation, with little if any attention to energy efficiency
- Bad asset condition and high unaccounted-for water (40% on average [Mejía and Rais, 2011], but up to 75%
strategies to more efficiently manage the water–energy nexus include the following:

- Development of effective coordination mechanisms between water and energy authorities, at both national and river basin levels, to ensure their policies, instruments and objectives are mutually consistent and do not undermine each other. An important prerequisite is better availability and access to accurate and consistent water and energy data as well as facilitating dialogue among stakeholders on relevant issues.

- Improvement of water and energy regulatory frameworks, and harmonization of control, policy-making and financial mechanisms, with particular attention to multipurpose water use, requirements for approval of dam projects, resource conservation and reuse, demand management, watershed protection, strategic planning, and appropriate tariff/pricing and subsidy design.

- Transition to integrated water resources management (Solanes and Jouravlev, 2006), with emphasis on:
  - Water authorities that are independent from sector influences, in order to ensure objective decision-making, and whose powers and resources are in line with their responsibilities
  - An effective conflict prevention and resolution system – including an efficient judicial system that is capable of resolving conflicts with low transaction costs and consistent results – and river basin organizations that integrate all relevant stakeholders
  - Water (re)allocation systems that promote investment in the development and conservation of water resources and, at the same time, avoid monopolies and facilitate coordination and control in the public interest, taking into consideration the particular characteristics of the water system and the river basin
  - Protection of watershed ecosystem services and environmental flows, as well as integration with watershed and forest management, as key strategies for ensuring water and energy sustainability

Increased energy costs have direct implications for service affordability and sector financing, especially considering that the vast majority of water utilities struggle to attain self-financing and that sector investment, and sometimes even operation and maintenance, is often financed through state budgets (Jouravlev, 2004; Fernández, 2009; Ferro and Lentini, 2013). With more efficient operation, many water utilities would be able to reduce energy costs by 10% to 40% (Rosas, 2011), and even more (up to 75%) in wastewater treatment – savings that could help expand service coverage to the poor, improve service quality, and make bills more affordable for customers.

13.3 The way forward
The search for appropriate response options is still a major challenge for Latin American and Caribbean countries. Regional experience suggests that the most promising
In Africa the quest for water security has always been linked to the quest for energy security (African Water Vision 2025; UNECA, 2000). Energy security will be achieved only when society obtains access to dependable, modern energy services. Because most of sub-Saharan Africa’s population is predominantly rural (70%) (World Bank, n.d.a), achieving rural energy security is a prerequisite for equitable and sustainable development. Sub-Saharan Africa is characterized by low consumption of commercial energy and high dependence on traditional fuels. The majority of the rural population relies on traditional energy supplies, mainly unprocessed biomass, the burning of which causes significant pollution and health concerns (Section 3.1).

Water as a source of power has a vital role to play in responding to the socio-economic crisis facing Africa. One aspect of the interdependence between water availability and development can be seen by the introduction of electricity to rural areas in Africa. The impact is immediate and visible.

14.1 Energy use
Sub-Saharan Africa is the least electrified of all major world regions, with 57% of its population without access to electricity in 2011 (IEA, 2012a). Excluding South Africa, the entire installed generation capacity of sub-Saharan Africa is only 28 GW, equivalent to that of Argentina (World Bank, n.d.b). Sub-Saharan Africa consumes 126 kWh/year electricity; including South Africa causes this figure to rise to 447 kWh/year. The variation between countries and regions is exacerbated by the urban–rural divide: the sharp disparity is evident in the low figure of 7.5% electrification in rural areas. The trend of electricity consumption in Africa over the past decade is shown in Figure 14.1. A steady increase on the aggregate is expected to accelerate with the current rapid economic growth being experienced in many African countries.

With increasing demand, some progress has been made and overall electricity production has more than doubled in the past two decades (Figure 14.2). Nevertheless, sub-Saharan Africa is the only region in which the absolute number of people without access to electricity is increasing. It is estimated that without major policy action and increased investment in the electricity sector, 650 million people will be living without electricity in sub-Saharan Africa in 2030 compared with some 500 million today (IEA, 2011b). Fortunately, this rapidly growing...
region of the world also has the greatest hydropower potential of any region (Section 3.3.3).

Addressing the development challenges of low life expectancy and high infant mortality, illiteracy and fertility rates in sub-Saharan Africa requires improved access to electricity, particularly by poor and rural communities. Improving access to electricity for the majority of the population living in peri-urban and rural areas is critical. Indeed, access to electricity is essential for powering local industry and thus generating employment, alleviating poverty, improving public health, and increasing access to modern information and education services. With growth in the African economy there will also be a need to provide additional electricity to urban centres and industries.

14.2 Hydropower

Hydropower is an important source of modern energy. Hydroelectric power supplies 32% of Africa's energy (UNEP, 2012). Although endowed with considerable hydropower potential, African countries have developed only a small fraction of it – about 8% (Box 14.1). The key hubs, sometimes called ‘water towers’, for potential hydropower generation are in the Congo River basin, the Fouta-Djallon highlands in West Africa and the Ethiopian highlands in East Africa – in fact 60% of the region’s hydropower potential is in the Congo and Ethiopia.

**Key facts on hydropower in Africa**

- Economically feasible hydropower potential: 842,077 GWh/year (Table 3.3)
- Potential developed: 8% (Figure 3.11)
- Countries with the largest hydropower potential: Congo, Ethiopia, Cameroon
- Countries with the largest installed hydropower: Egypt, Congo, Sudan, Nigeria
- Hydropower in operation (2011): ~26 GW
- Hydropower under construction (2011): ~14 GW
- Key river basins for future hydropower development: Congo, Nile, Zambezi
- Proposed projects: Grand Inga Project on the Congo River, estimated cost US$50 billion. At 40,000 MW, this would be the world’s largest hydropower project. The Congo is the second richest river in the world for fish. Fish diversity could be threatened by insensitive hydropower development.
- Negative impacts of hydropower: Downstream fisheries and ecosystems have been heavily impacted by large hydropower projects, for example in the Zambezi and Senegal basins. Dams have displaced 400,000 people across Africa.

Source: UNECA, with values from Aqua-Media International Ltd. 2012. See also UNSD (2013) and Kumar et al. (2011).
**Sub-Saharan Africa** is the only region in which the absolute number of people without access to electricity is increasing.

Low exploitation of hydropower potential can be explained to a significant extent by the fact that most African countries are dependent on external resources for major infrastructure projects. During the 1980s, development partners shied away from major projects, especially dams. Africa currently faces an infrastructure funding gap of US$31 billion a year, mainly in power (World Bank, 2010d). Another challenge facing most sub-Saharan African countries with substantial hydropower resources stems from the difficulties in adopting the long-term policy measures necessary for sustainable development of these resources.

Water and energy in Africa is synonymous with hydropower in terms of potential available energy for present and future use. Hydropower is a renewable energy and thus preferable to many other energy sources (i.e. fossil fuels) in terms of sustainability. In light of the lack of exploitation to date, hydropower remains the main energy option to promote sustainable development and to power trade, regional integration and poverty eradication in Africa. Hydropower provides the opportunity for good long-term and trans-generational investment in clean energy for the growth of Africa, economically, socially and environmentally. In the context of climate change, especially where models predict reductions in river flows, hydropower will still provide the bulk of energy in an optimal mix with other sources, including geothermal, wind and solar power (see Chapter 25 [Volume 2] for the case study ‘The role of geothermal energy in Kenya’s long-term development vision’).

### 14.3 Access to services

The most important variable at the human level when it comes to water and energy is whether the service can be accessed – when, where and in adequate quantity and quality – by every individual who needs it. The level of access strongly correlates to socio-economic development and is a critical prerequisite to poverty reduction globally and in Africa in particular. Figure 14.3 shows global electricity access; it is evident that Africa lags behind other regions. This presents a great challenge, which can also be seen as a great opportunity: to develop the great hydropower potential in a clean, efficient way, having learnt from the rest of the world so as not to repeat the negative aspects of their experiences.

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**Note:** The graph shows that more than 500 million people in sub-Saharan Africa lack access to electricity. Connection rates are as low as 5% in rural areas.

*Source: Cosgrove-Davies (2006).*

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**Figure 14.3 Global electricity access rate**

<table>
<thead>
<tr>
<th>Percentage of population with access to electricity</th>
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</thead>
<tbody>
<tr>
<td>100</td>
</tr>
<tr>
<td>75</td>
</tr>
<tr>
<td>50</td>
</tr>
<tr>
<td>25</td>
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<td>0</td>
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*Note: The graph shows that more than 500 million people in sub-Saharan Africa lack access to electricity. Connection rates are as low as 5% in rural areas.*

*Source: Cosgrove-Davies (2006).*
PART 4

RESPONSES: FOSTERING SYNERGIES AND MANAGING TRADE-OFFS

CHAPTERS

15. Creating an enabling environment for change

16. Responses in practice
The first three parts of this report have demonstrated how water and energy are highly interdependent, and that choices made in one domain have impacts on the other – direct and indirect, positive and negative. These choices also collectively impact upon, and are affected by, other water- and energy-dependent sectors. Water and energy are both drivers and inhibitors of economic growth and improvement of human health. They are enablers for widespread poverty reduction and job creation, and are generators of well-being. Many internationally agreed development goals, including nearly all the MDGs, depend on major progress in access to safe water, adequate sanitation and reliable sources of energy. Decisions about water and energy sharing, allocation, production and distribution between different users and uses have important social and gender equality implications, as they ultimately determine the resources and services that can be made available at the household and community levels.

Growing demand for finite water resources is leading to increased competition between the energy sector and other water-using sectors of the economy, principally agriculture and industry. Climate change creates additional pressures. All around the world, droughts, heatwaves and local water shortages in the past decade have interrupted electricity generation, with serious economic consequences. At the same time, limitations on energy availability constrain the delivery of water services.

Because of their similarities, and despite their differences, the water and energy domains face common challenges. Water is a major, and generally inefficient, user of energy; while energy is a major, and generally inefficient, user of water. However, the respective incentives facing the two domains are asymmetrical: energy users have little or no incentive to conserve water due to zero or low prices, but water users normally do pay for energy, though prices are often subsidized. Water and energy prices are strongly affected by political decisions and subsidies that support major sectors such as agriculture and industry, and these subsidies often distort the true economic relationship between water and energy. Particularly for water, price is rarely a true reflection of cost – it is often even less than the cost of supply. Historically, the price of water has been so low that there has been little or no incentive to save it in many places around the world.

Finally, a crucial aspect of burgeoning global demand for water and energy is the resulting pressure on water resources and degradation of ecosystems. Ecosystems provide the natural enabling environment for energy provision and water flows. They also deliver energy, often depending on water to do so.

Recognition of this interconnectedness has led some observers to call for a greater level of integration of the two domains. Although this may be possible and beneficial under certain circumstances, an increased level of collaboration and coordination would create favourable outcomes in nearly all situations.

How should policy-makers and decision-makers respond to the dilemmas, risks and opportunities presented in this report? Various solutions have been explored. Their most common theme is improving the efficiency and sustainability with which water and energy are used, and finding win–win options that create savings of both, which can become mutually reinforcing (creating synergy).

Not every situation offers such opportunities. Where competition between different resource domains are likely to increase, the requirement to make deliberate trade-offs arise. These trade-offs will need to be managed and contained, preferably through collaboration in a coordinated manner. To do this, better and sometimes new data will be required.

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32 The energy bills of water utilities often go unpaid, as well as vice versa (Hussey et al., 2013). In South Asia and elsewhere, farmers pay highly subsidized rates for publicly supplied electrical power (Molle and Berkoff, 2008, ch. 9). Globally, underpricing costs the sector at least $2.2 billion a year in foregone revenues… (in Africa) neither commercial nor residential customers [of power] are close to paying full cost recovery prices (AICD, 2012, pp. 191–192).
Problems arise when water and energy policies are formulated in isolation. There are, fortunately, examples of policies and actions that benefit both domains (win–win projects, optimum trade-offs). Sometimes these synergies arise unintentionally, by policy-makers acting with an eye towards their own domains. But accidental synergy cannot be relied upon to produce enough of the positive common actions necessary to address growing problems evident in both domains.

A coherent policy – which is to say an adequate public response to the interconnectedness of the water, energy and related domains – requires a hierarchy of actions. These include:

- Developing coherent national policies affecting the different domains
- Creating legal and institutional frameworks to promote this coherence
- Ensuring reliable data and statistics to make and monitor decisions
- Encouraging awareness through education, training and public information media
- Supporting innovation and research into technological development
- Ensuring availability of finance
- Allowing markets and businesses to develop

Together these actions make up the enabling environment necessary to produce the changes needed for sustainable and mutually compatible development of water and energy.

At the outset, the different political economies of water and energy should be recognized, as these affect the scope, speed and direction of change in the respective domains. While energy is often synonymous with big business and carries great political clout, water is not and generally does not. There is a marked difference in the pace of change visible in the energy and water domains, driven by the evolution of markets and technologies (Hussey et al., 2013; Sections 1.2, 1.3). These forces also drive changes in governance, which happens at a different rate in the two domains. Unless those responsible for water step up their own governance reform efforts, the pressures emanating from developments in the energy sphere will become increasingly restrictive and make the tasks facing water planners, and the objective of a secure water future, much more difficult to achieve. And failures in water can also lead directly to failures in energy.

**National energy and water policies need to be compatible and coherent**

National energy and water policies need to be compatible and coherent. Policies in response to climate change are a specific case in point: efforts to mitigate GHG emissions (e.g. through hydropower or biofuels) may place greater strain on water resources, and development of new water sources (e.g. through desalination) imperils national emissions targets.

Governments also need to cultivate widespread awareness of the water–energy nexus through public information fora, social and political conversation, and education. It is incumbent on professional communities in the water and energy domains to meet and discourse with each other to a much greater extent than they do at present.

Legal and regulatory frameworks should be created to channel reforms and establish rules and sanctions for infractions by users, including businesses. Calls for closer regulation and greater transparency, monitoring and local community engagement are part of the public and political reaction to the potential impact on water from the development of unconventional sources of oil and gas; for example, fracking in Argentina, Mexico, the USA.
Institutional capacity development can play an important role in fostering interdisciplinary and interministerial approaches that support the integration of interdependencies in decision-making through knowledge and technology transfers between different governmental levels and sectors, and through the exchange of experiences.

The Strategic Environmental Assessment produced by the Mekong River Commission exemplifies an integrated approach to water and energy in the context of a major transboundary river basin. This assessment considers the interdependencies between energy generation and the availability of water, and the impacts of alternative policies for energy and water resource development and management on ecosystems, social systems and economic development over a 15-year perspective (MRC, 2009).

For major infrastructure, integrated planning and the joint design of programmes and investments between energy and water experts and managers may be appropriate. Sharing data for modelling, and agreeing on common assumptions, is clearly important. There is a role for collaborative resource planning, identifying synergies and optimizing and negotiating trade-offs. Some of these factors can be mediated in local planning decisions. All such actions would be easier with a better mutual understanding of the economic gains to be had from collaboration and cooperation between the two domains.

With an annual investment of US$198 billion globally on average over the next 40 years, water use can be made more efficient, enabling increased agricultural, biofuel and industrial production (UNEP, 2011b). Investing $170 billion annually in energy efficiency worldwide could produce energy savings of up to $900 billion per year (SE4ALL, 2012), and each additional $1 spent on energy efficiency in electrical equipment, appliances and buildings avoids more than $2, on average, in energy supply investments (US EIA, 2010a). Research into how much of a reduction in energy demand can be achieved from increased water efficiency and vice versa would support policy-makers and investors in making more resource efficient strategies and investment choices. For example, water decoupling (i.e. using less water and in Europe, and the development of oil (tar) sands in Canada (Sections 3.2.1, 10.5).

Institutions involved in policy formulation (e.g. ministries, planning commissions, committees, local government bodies) must be mindful of the water–energy nexus and incorporate it into their planning and decision-making systems. Integrating water and energy into decisions is easier said than done. It will take different forms in different countries, at different administrative levels in each country, but it is important to make some progress in this direction. Where river basin organizations (RBOs) exist, for instance, it is sensible to include representatives from energy, power and water communities in their stakeholder fora – some RBOs even use the terminology ‘parliaments’ to denote a style of debate and resolution. The collaboration on resource planning approach was recognized some years ago in a key report of the USAs Department of Energy:

Collaboration on energy and water resource planning is needed among federal, regional, and state agencies as well as with industry and other stakeholders. In most regions, energy planning and water planning are done separately. The lack of integrated energy and water planning and management has already impacted energy production in many basins and regions across the country...

Mechanisms, such as regional natural resources planning groups, are needed to foster collaboration between stakeholders and regional and state water and energy planning, management, and regulatory groups and agencies. These types of collaborative efforts are needed to ensure proper evaluation and valuation of water resources for all needs, including energy development and generation (USA DOE, 2006, p. 11).

Research into how much of a reduction in energy demand can be achieved from increased water efficiency and vice versa would support policy-makers and investors in making more resource efficient strategies and investment choices.

33 General guidance on the Strategic Environmental Assessment (SEA) of plans and programmes is provided by the Protocol on the SEA to the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) (UNECE, 2011b).
has been traditionally expected to focus on a narrow mandate in meeting its own aims and fulfilling its own targeted responsibilities. As a result, there is often little or no incentive to initiate and pursue coordination or integration of policies across sectoral institutions (Section 5.1).

Previous editions of the United Nations *World Water Development Report* (WWAP, 2009, 2012) urged water policy-makers to *think outside the box* to address the many ways in which water is impacted by events and decisions arising outside water ‘borders’ as they are commonly viewed. By the same token, policy-makers in other areas of social and economic life should acknowledge both their own impact on water and the impact of water on their policies, for example as an input or constraint. Nowhere is this more true – or more urgent – than for energy. The water–energy nexus can be regarded as one of the first and most important steps outside the box (or ‘silos’) for both domains. Other linkages are also important to explore where these can improve policy-making; for instance, those between energy, water and land (EU, 2012); between water, food, energy and climate (WEF, 2011); and with the environment. Water and energy practitioners need to work collaboratively towards a coherent response to common challenges.

In some countries the same national institution is responsible for planning, management and service provision for water and power (e.g. in Pakistan the Water and Power Development Authority [WAPDA]; in Guinea where the Ministry of Energy is also responsible for water resources development; and in Zambia where the...
Governments have to use a variety of measures—including incentives and sanctions, a mixture of persuasion and penalties. Economic incentives and market-based instruments should be considered in policy packages designed to change behaviour towards water and energy. They can greatly reinforce the impact of other types of measures, such as regulations, public awareness campaigns, exhortations and technological developments. This does not imply that the market should have the final word in allocating water and energy resources and services. Pricing should be used sensitively with a view to its social and distributional impact. Pricing can, however, add a crucial boost to other water and energy policies.

Economic instruments include prices, taxes, pollution charges, subsidies, and markets for buying and selling a service, a resource or the rights to use the service or resource. Economic pricing of energy and water services can more closely reflect the economic cost of their provision; provide sufficient revenues for continued operation and maintenance; and avoid waste and distortions due to under-pricing. In 2005, Komives et al. reported that ‘global tariff surveys indicate that the majority of electricity and (particularly) water utilities charge tariffs substantially below levels commensurate with full cost recovery. A significant proportion of utilities charge tariffs that do not even cover operating and maintenance costs.’ (Komives et al., 2005, pp. 165–166). In many countries, subsidies in water and energy are widespread and impose a large and growing fiscal burden. Although it is unrealistic to expect a rapid reversal of this situation, there is scope in many cases for adjusting tariff structures and targeting subsidies to protect the poorest and most deserving consumers, while reducing some of the worst distortions and waste caused by subsidy dependency (OECD, 2009, 2010b,c).

15.2 Economic instruments
There is no silver bullet to bring about the kind of changes and reforms considered in the above paragraphs. Economic instruments include prices, taxes, pollution charges, subsidies, and markets for buying and selling a service, a resource or the rights to use the service or resource.

Economic pricing of energy and water services can more closely reflect the economic cost of their provision; provide sufficient revenues for continued operation and maintenance; and avoid waste and distortions due to under-pricing. In 2005, Komives et al. reported that ‘global tariff surveys indicate that the majority of electricity and (particularly) water utilities charge tariffs substantially below levels commensurate with full cost recovery. A significant proportion of utilities charge tariffs that do not even cover operating and maintenance costs.’ (Komives et al., 2005, pp. 165–166). In many countries, subsidies in water and energy are widespread and impose a large and growing fiscal burden. Although it is unrealistic to expect a rapid reversal of this situation, there is scope in many cases for adjusting tariff structures and targeting subsidies to protect the poorest and most deserving consumers, while reducing some of the worst distortions and waste caused by subsidy dependency (OECD, 2009, 2010b,c).

Even ‘economic’ tariffs that fully recover financial costs exclude important external costs that the use of water and energy imposes on others. This is partly a matter of internalizing externalities such as pollution and GHG emissions through pollution charges, carbon taxes and so forth. It is also partly a matter of reckoning the opportunity costs of using resources for one purpose, when this deprives some other potential user. Tools such as environmental economic valuation can be used to reflect these costs at the project level.

**Although there is scope for synergies and win–win results, there is also an array of situations where competition for resources or genuine conflict between water and energy aims can arise, requiring some degree of trade-off**
Though energy (generally fuels) is systematically traded on commodity exchanges, water trading is much more difficult and contentious as it is based on tradable ‘rights’ rather than a commodity. However, water trading between major use sectors is possible in some circumstances and provides an economic mechanism for resolving allocation conflicts. Trade could be either seasonal or permanent. Although water markets have been created in a few countries (e.g. Australia, Chile, USA) trading depends on an appropriate legal framework and effective regulation designed to avoid transfer of negative externalities and monopolization of water rights and to reduce transaction costs. The large volume of water required for thermal power on a long-term basis is likely to need permanent transfers; for example, by buying out farmers’ rights. Such transactions tend to arouse social and political resistance, although there are cases of cities securing their water by such deals.

The imposition of a non-consumptive water use tariff at an economic level, applicable to power generation and other sectors such as industry and mining competing for bulk water, could provide a level playing field for charging, and create incentives for the more efficient use of water all round. Imposing higher non-consumptive tariffs on thermal and hydropower generation would clearly signal and incentivize the need to adopt more water efficient processes. This would apply whatever water tariffs were charged to other sectors.

15.3 Role of the United Nations system and the international community

Local, national and regional policies and actions can often benefit from a strong endorsement from the international community, in such areas as (a) cooperation and information exchange in state-of-the-art public policy formulation; (b) government, consumer and investor awareness and commitment; (c) application of integrated resource efficiency planning; (d) capacity development on existing strategies and tools; and (e) improvements in the availability of relevant and robust data.

The United Nations Conference on Sustainable Development (Rio+20) in 2012 explicitly acknowledged that water is at the core of sustainable development as it is closely linked to a number of key global challenges. The United Nations General Assembly in 2012 also recognized the critical role that energy plays in the development process. However, it is particularly telling that there is no mention whatsoever of water in the energy section, or of energy in the water section of the outcome document. The Bonn 2011 Nexus Conference,34 organized in preparation for Rio+20, focused international and national attention on the water–energy–food nexus and the solutions such an integrated approach can provide.

**Economic pricing of energy and water services** can more closely reflect the economic cost of their provision; provide sufficient revenues for continued operation and maintenance; and avoid waste and distortions due to under-pricing.

In practice, different people in different departments, if not different agencies, are responsible for funding decisions, project development and policy-making. This holds true at all levels of administration and explains why integrated energy and water policies are rare (Section 5.1). However, in the work of the United Nations system, other international regional organizations, development banks and bilateral development agencies, many programmes and projects exist aiming to address the interplay between energy and water. This points to a project-by-project approach to deliver context-specific support. The coordination mechanisms of the United Nations system, UN-Water and UN-Energy continue to play leadership roles in providing a platform for cooperation with civil society to formulate coherent responses on water and energy – issues that cut across the mandates of the international system. The recognized need for separate sustainable development goals dedicated to water, food and energy security, which must be independent of each other but closely related and coordinated, provide an excellent opportunity for UN-Water and UN-Energy to assume a strong leadership and facilitatory role.

In the realm of financing, the international community has an obligation to support those people most in need.

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34 For more information, see http://www.water-energy-food.org/en/conference.html (Accessed Apr 2013)
Without reliable monitoring data, it is difficult to devise good projects, programmes and policies (Chapter 4). If countries are expected to collect new types of data and include water–energy indicators, particularly when developing a post-2015 development agenda, the international community needs to help strengthen the collectors and distributors of primary data in countries – including national statistics agencies and water, energy and environmental authorities and users. Strengthening data collection entities and disclosing the gains of water and energy policies can eliminate blind spots in water and energy management, facilitate better public policy formulation, increase the visibility of co-benefits, and provide the basis for an open dialogue when difficult trade-off decisions need to be taken.

The international community can bring actors together and play a catalytic role in supporting national, subnational and local governments as well as utility providers, who have a major role in how the water–energy nexus plays out at the national and relevant local levels. Though the energy and water service sectors function in different ways, external support can help authorities in charge of public policy formulation, regulation, planning and financing as well as utilities in both sectors learn from each other in their reform processes and provide a space to work with each other to realize efficiency gains and plan for future demands.

The same is true for the relationship between the United Nations and the private sector. The UN Global Compact's CEO Water Mandate provides a platform to facilitate private sector support to governments and society at large in order to realize overall economic results, social benefits and environmental protection. One approach would be to assist companies in the formulation, development, implementation and disclosure of appropriate water sustainability policies and practices as they relate to energy.

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35 For more information, see http://ceowatermandate.org/ (Accessed Apr 2013)
The interplay of water and energy, and the scope for fostering synergies and managing trade-offs between them, is illustrated below in the contexts of agriculture, industry, cities, ecosystems and power. This chapter summarizes the response options outlined in earlier parts of this report with some specific examples.  

16.1 Energy-smart and water efficient agriculture

Applying energy efficiency measures at the farm level (Table 6.3) and at all stages along the agrifood chain can bring direct savings through technological and behavioural changes, and indirect savings through co-benefits derived from the adoption of agro-ecological farming practices. Avoiding food wastage can result in considerable savings in energy, land and water. Knowledge-based precision irrigation can provide flexible, reliable and efficient water application, which can be complemented by deficit irrigation and wastewater reuse. Crops often take up only half of the irrigation water applied, so there is clearly potential to improve water use efficiency of mechanical irrigation systems, which would also result in less demand for electricity or diesel fuel for pumping. However, while irrigation losses may appear high, a large part of these losses usually return to the water body in the form of return flow or aquifer recharge (Section 6.6), often laden with nutrients and other chemicals. Cases have been reported where more efficient, but energy intensive irrigation increases the consumptive

16.1 Groundwater, irrigation and energy: Responses to an unsustainable situation in Gujarat, India

The issue of groundwater overdraft in India has been well known for decades. In the state of Gujarat, free groundwater and subsidized electricity to pump it contributed to severe groundwater overdraft, near bankruptcy of the State Electricity Board, and poor power supply to farmers and other rural residents. The textbook solution seemed simple enough: price groundwater and electricity to reflect their value. However, those who tried to implement these solutions did not appreciate the political realities in India. Efforts to rationalize pricing were met with great resistance by farmers. Politicians lost their jobs and external funds for modernizing the system were withdrawn. The State Electricity Board continued to generate great losses and was unable to meet the needs of the rapidly growing economy. Farmers had to accept poor quality power supply as the cost of their ‘free’ supply, and the pressure on aquifers was substantial.

An alternative approach, called the Jyotigram Scheme, diverged from the textbook approach and embraced subsidies as part of a strategy. But rather than viewing subsidies as a default component of free electricity supply, the Jyotigram Scheme focused on providing rationally managed subsidies where needed, and pricing where possible. Under the programme, rural Gujarat has been completely rewired. Villages are given 24-hour, three-phase power supply for domestic use and in schools, hospitals and village industries, all at metered rates. Farmers operating tubewells continue to receive free electricity, but for 8 hours rather than 24 and, importantly for the satisfaction of farmers, on a pre-announced schedule designed to meet their peak demands.

The separation of agricultural energy from other uses and the promise of quality supply were sufficient to gain political and social backing for implementation. The Jyotigram Scheme has now radically improved the quality of village life, spurred non-farm economic enterprises, and halved the power subsidy to agriculture. While groundwater itself is still free, the programme has indirectly raised the price of groundwater supply from tubewell owners in the informal market by 30% to 50%, thus providing a signal of scarcity, and reducing groundwater overdraft. The solution may not be perfect, but it has proved to be implementable and it has brought substantial improvement inside and outside the water sector.

Jyotigram is now a flagship programme of the Government of India, replicated in Punjab, Haryana, Madhya Pradesh, Karnataka and Andhra Pradesh.

Energy audits to identify and reduce water and energy losses and enhance energy efficiency can result in substantial energy and financial savings, with savings of between 10% and 40% reported

engines in Bangladesh has benefited smallholder farmers without over-exploiting water resources (Section 6.6), energy subsidies in the drier parts of India have had detrimental effects on groundwater levels. In Gujarat, one of the drier states in India, policies to ration farm power supply, and thus water supply, have been recommended to encourage farmers to use water more sparingly (Box 16.1). In Argentina and Mexico, electricity subsidies are having a damaging effect on groundwater aquifers while mainly benefiting the most prosperous farmers (Chapter 13). The political difficulties of reform cannot be underestimated, but reform of energy subsidies could benefit both energy and water domains in such situations.

In areas with sufficient endowments of surface water, modernization of existing canal irrigation systems to improve services may encourage farmers to reduce their groundwater use as it is often more expensive (due to the cost of pumping) than surface water supply. These systems can have multiple purposes – such as crop production, domestic use, animal husbandry and support of small industries.

16.2 Innovating cities

It has been suggested that more than half of the water demand and water-related energy consumption in some

Dam and reservoir design that accommodates fisheries and aquaculture can allow continued food production from rivers that are damned for hydroelectric development. Optimizing the management of storage capacity of catchments, including soils, groundwater and reservoirs, offers scope for greater efficiency; for example, drawing upon groundwater reserves at times of low reservoir capacity and enabling groundwater to recharge when reservoirs are full (Box 2.2).

While access to inexpensive fossil fuel combined with access to versatile, affordable low-maintenance diesel

Energy efficiency generates savings for water supply systems

The Improvement of Energy Efficiency (IEE) project of the Water Authority of Jordan (WAJ) is focusing on demand-side energy reduction in pumping stations and promoting institutional change through private sector participation. The case was presented at the Amman–Cologne Symposium 2011.

‘In initial energy audits, the IEE project analysed the electricity consumption and improvement potential of key pumping stations and developed detailed recommendations for implementation. Efficiency improvements in the range of 4%–65% of the electricity consumed are feasible in various pumping stations. This would reduce the annual energy use by 21 million kWh, representing about 1 mill. JOD [US$1.4 million] per year in energy cost savings for WAJ and hence improving cost recovery.’

‘... An energy service company (ESCO) provides the funding for the repair and replacement of the pumping equipment, designs and installs the equipment, and takes over operation, maintenance and repair processes for a defined period. The remuneration of the ESCO for its services depends on the reduction of specific energy consumption (kWh/cbm[m³] pumped) during the contract period, since the cost savings are shared between WAJ and the ESCO.’

‘By this, a triple win situation is created: firstly a cost recovery improvement reduction, secondly the availability of new infrastructure at no cost for WAJ, and thirdly a reduction in greenhouse gas emissions.’

‘The results from a pilot pumping station confirm an increase in average energy efficiency of 40%, which translates into a cost recovery improvement of approx. 120'000 JOD [US$170,000] per year, very low maintenance efforts for the enhanced equipment and an overall reduction of pumping station downtime.’

Chemically bound energy in wastewater is due to its carbon content, which can be converted to methane under anaerobic conditions. Methane can be used for domestic cooking and heating, as fuel for vehicles and power plants, or for operating the treatment plant itself. Biogas is a source of green energy, which replaces fossil fuels and reduces the amount of sludge to be disposed of, as well as achieving financial savings for the plant (Section 5.2.4). Many wastewater treatment plants have been able to generate biogas from wastewater or sludge and convert it to heat or electricity (Box 16.3; Section 7.4.3). In Stockholm, public buses, waste collection trucks and taxis run on biogas produced from sewage treatment plants. The anaerobic water treatment technologies responsible

**Recycling of energy from wastewater**

The As-Samra wastewater treatment plant was inaugurated in 2008 to treat the wastewater of 2.3 million equivalent-inhabitants of Amman and surrounding areas. The project is a public–private partnership for financing the construction and operation of public infrastructure in Jordan based on a build-operate-transfer (BOT) contract spanning 25 years. Wastewater is transported from Amman to the plant site by gravity over 40 km through a conveyor pipeline. The difference in elevation between the city and the treatment plant is significant, so the wastewater is under high pressure when it arrives at the plant. Instead of the pressure diverters commonly used to break the flow of this type of wastewater effluent, turbines have been installed to run on upstream wastewater flow and generate hydraulic energy, which is used on site. The treated effluent is again used to power hydraulic turbines generating renewable energy before it is released into the environment, joining a stream that directs the waters to King Talal Dam.

Biogas recovery has been implemented for the sludge digesters. Sewage sludge generated during the process is treated through anaerobic digestion. Biogas generated in the digester is captured and recovered in the form of electrical and thermal energy which is used on site. The plant is almost self-sufficient and requires very little power from the grid as it generates up to 95% of the plant electrical consumption from renewable sources (Solutions for Water, 2012).

Notes: Population equivalent (in wastewater monitoring and treatment) refers to the amount of oxygen-demanding substances whose oxygen consumption during biodegradation equals the average oxygen demand of the wastewater produced by one person. For practical calculations, it is assumed that one unit equals 54 grams of BOD per 24 hours (OECD Glossary of Statistical Terms at http://stats.oecd.org/glossary/). This is the first BOT project for both Jordan and USAID. SWECO is the consulting company. The Swedish International Development Agency (SIDA) financed technical assistance during preparation, construction, commissioning, and 18 months of commercial operation of the project.

for biogas production are particularly appropriate for warmer climates like those found across the Arab region (Section 12.2) among others. The use of dried faecal sludge as fuel is gaining momentum in several developing countries (Section 7.4.3).

16.3 Enhancing the role of industry
Large industry is well advanced in reacting to water and energy issues. Energy efficiency has been prioritized and driven by high energy prices and regulations concerning climate change and GHG emissions. More recently, water use efficiency has also taken on a higher profile. Industry’s actions are the result of commitment to corporate policies, sustainability and CSR as well as a response to commercial, shareholder and consumer pressures (Chapter 8). These influences often extend through the industrial supply chain, with far-reaching impacts ranging from more sustainable practices to increased public awareness.

Carrying out water and energy audits to calculate balances and corresponding footprints is an important first step towards setting conservation and efficiency goals and targets. Many firms are adopting standards such as ISO 14000 (Environmental Management), ISO 5000 (Energy Management) and LEED (Leadership in Energy and Environmental Design). Specific measures include increasing water productivity through reuse, recycling or the use of reclaimed wastewater, and focusing on zero discharge technologies. In the energy domain the adoption of green technologies, such as energy efficient machinery, is increasingly an option. In terms of manufactured goods, considerable achievements have been made in the design and formulation of products specifically aimed at reducing the water and energy content or consumption of products and appliances. The formulation of detergents and washing machines is a notable example.

16.4 Initiatives for small and medium-sized enterprises

Small and medium-sized enterprises (SMEs) have been a focus for UNIDO, which has successfully set up National Cleaner Production Centres promoting Cleaner Production (CP) practices (UNIDO, n.d.a). These practices include:

• Good housekeeping to prevent leaks and spills and good operation and maintenance procedures and practices
• Input material change: using less hazardous or renewable materials or materials with a longer service lifetime
• Better process control, equipment modification and technology change for higher efficiency and lower rates of waste and emission generation
• On-site recovery and reuse of wasted materials within the company
• Production of useful by-products: transformation of wastes into materials for reuse or recycling outside the company
• Product modification to minimize environmental impacts during use or after (disposal) or to minimize environmental impacts of production

The UNIDO Transfer of Environmentally Sound Technology (TEST) programme (UNIDO, n.d.b) is associated with CP and supports industry by:

• Prioritizing a preventative approach to CP
• Addressing preventative environmental management and providing information on materials, energy and finance using environmental management systems (EMS) and environmental management accounting (EMA)
• Incorporating environmental management within corporate social responsibility (CSR) leading to sustainable enterprise strategies

Three areas of response specific to energy were identified for SMEs (UNIDO, 2008), although they could apply equally to water management:

• Target setting agreements. These can result in significant energy savings with long-term effects in changing attitudes and awareness.
• Energy management standards. By adopting standards, companies raise their image and a process of continuous improvement is set in place; energy efficiency becomes part of corporate culture.
• System optimization. This offers a fast return and encourages companies to adopt more fully integrated programmes.

Source: UNIDO.
Large companies and multinationals, particularly in the food and beverage sector, have been engaged for some time in improving water and energy efficiencies. Such companies see the value of efficiencies in both monetary and societal terms. An important policy issue is how to harness the combined capacity of small and medium-sized enterprises, which account for 70% of enterprises in most countries, and provide the financing necessary for them to generate efficiencies as a sector (Box 16.4).

16.4 Prioritizing ecosystem services

Expansions of all types of energy generation can be planned with an ecosystem perspective. IWRM, supported by systematic environmental flows assessment, is one framework for planning and allocating water at the basin level. The application of an ecosystems approach necessitates the valuation and use of natural infrastructure, supported by tools that include PES, remediation through sustainable dam and reservoir management, and strategic river basin investment.

Natural or green infrastructure can complement, augment or replace the services provided by traditional engineered infrastructure, which can enhance cost-effectiveness, risk management and sustainable development. Improved water resources and natural infrastructure in the form of healthy ecosystems can reinforce each other and generate additional benefits in the water–energy–food nexus (Box 16.5). The ongoing degradation of water and land resources in river basins, which threatens energy provision, could potentially be reversed through protection and restoration initiatives, providing resilience for increased climate variability and extreme events (Section 9.3).

In terms of manufactured goods, considerable achievements have been made in the design and formulation of products specifically aimed at reducing the water and energy content or consumption of products and appliances

The economic value of ecosystems for downstream water users is formally recognized and monetized in PES schemes. These provide farmers with payments or green water credits from downstream water users for good management practices that support and regulate ecosystem services, thereby conserving water and increasing its availability and quality. In the Sarapiqui watershed in Costa Rica, upstream landowners are paid by a hydropower company for forest management.

Natural infrastructure: Wetlands and hydropower in Rwanda

Rwanda presents a good example of how natural infrastructure (healthy wetlands) can complement and support built infrastructure (hydropower generation). In the mid-2000s, ‘Rwanda experienced an electricity supply crisis that adversely affected its development prospects. This crisis was spurred in large measure by a steep decline in generation capacity at Ntaruka hydropower station which, along with the downstream Mukungwa station, provided 90 percent of the country’s electricity.’ The combined annual power production from Ntaruka and Mukungwa stations was around 120 GWh in 1998 and only 23 GWh (19%) in 2007. ‘Ntaruka’s reduced electricity generation was attributed to a significant drop in the depth of Lake Bulera, which acts as the station’s reservoir. This decline in water levels in turn was precipitated by a combination of factors, including: poor management of the upstream Rugezi Wetlands, the headwaters of the watershed; degradation of the surrounding Rugezi-Bulera-Ruhondo watershed due to human activity; poor maintenance of the station; and reduced precipitation in recent years.’ In response, ‘the Government of Rwanda sought to restore the degraded Rugezi-Bulera-Ruhondo watershed by halting on-going drainage activities in the Rugezi Wetlands, the headwaters of the watershed; degradation of the surrounding Rugezi-Bulera-Ruhondo watershed due to human activity; poor maintenance of the station; and reduced precipitation in recent years.’ In response, ‘the Government of Rwanda sought to restore the degraded Rugezi-Bulera-Ruhondo watershed by halting on-going drainage activities in the Rugezi Wetlands and banning agricultural and pastoral activities within and along its shores, as well as along the shores of Lakes Bulera and Ruhondo.’ To compensate the local population for the subsequent reduction in access to key resources, which adversely affected livelihoods, ‘the Government implemented a suite of agricultural and watershed management measures ... These measures included the construction of erosion control structures; the establishment of a belt of bamboo and Pennisetum grasses around the Rugezi Wetlands; planting of trees on the surrounding hillsides; distribution of improved cookstoves; the promotion of integrated and environmentally sound farming practices; and promotion of income-generating activities such as beekeeping. Today, through protection of the watershed surrounding the Ntaruka hydropower station, the plant has returned to full operational capacity.’

Source: UNEP, from Hove et al. (2011, pp. 1–2).
and restoration. The payment is based on the benefits generated from more reliable stream flow for hydropower optimization and the avoided costs of reservoir dredging due to reduced siltation.

In response to frequent severe flooding in the Magdalena River basin, the Government of Colombia has given central importance to an ecosystem-based approach to regulating planning and development to make sure that future economic activity in the river basin (which produces 86% of the country’s GDP) – especially hydropower and agriculture – is compatible with its water resources (Section 9.3.3).

Sustainable dam management aims to design new and regulate existing structures with a view towards mitigating their impacts on natural ecosystems and society. The need for new dams can be reduced by retrofitting existing dams with power generation installations, and their operational efficiency can be enhanced by better integration of natural infrastructure in catchments. In the Rhine basin, the historical impact of extensive river modification is being partially mitigated by ‘re-naturalization’ efforts such as the restoration of spawning and juvenile habitats for salmon (ICPR, 2010).

In the area of land management, conservation and remediation measures to avoid land degradation can lead to savings in water and energy consumption. Managing for multiple uses can reduce pressure on water resources by increasing water productivity; for example, when irrigation canals, downstream of a hydropower dam, are used for aquaculture or when household grey water from washing is reused on vegetable plots.

16.5 Power generation

With the exception of evaporative losses, hydropower generation is essentially a non-consumptive use of water, though the abstraction, storage and return of water can significantly impact other potential users (Sections 3.3.3, 6.2 and 9.2.1, as well as Chapters 10, 11, 13 and 14 for regional aspects). Multipurpose projects often include cross-subsidy from hydropower sales to irrigation and domestic consumption. In transboundary water management, the possibility of sharing power produced by multipurpose projects can be a common benefit that enables cooperation.

As Africa has not yet tapped into its rich potential for hydropower development to a substantial degree (Chapter 14), water and energy policy-makers there have the ability to learn from the positive as well as negative aspects of hydropower implementation practices that nations in Europe, North America and elsewhere have undergone and where some countries with rapidly emerging economies appear to be heading. It can do so by using the rich experience that has been developed over the years, including existing sustainability frameworks and best practices.

However, hydropower development will not be easy. The IEA cautioned in its World Energy Outlook 2012:

Several challenges threaten the development of hydropower in Africa, particularly the availability of funding. Political and market risks, as well as local environmental considerations are barriers to securing the large initial investments required. However, opportunities for funding are enhanced by several international programmes, including the Clean Development Mechanism under the Kyoto Protocol and a recent G20 initiative promoting investment in developing countries, which identified the Grand Inga project on the Congo River as a possible candidate for funding. Africa’s energy needs are huge: 590 million of its people [57%] still lack access to electricity. Hydropower, both large and small scale, is an abundant source of clean energy that can make a major contribution to providing energy for all (IEA, 2012a, p. 226).

Other options for power generation present their own challenges. Thermal power generation development involves the increasing potential for serious conflict between power, other water users and environmental considerations. These trade-offs can sometimes be reduced by technological advances, but these may carry trade-offs of their own (Sections 3.3.1, 3.4, 5.1). Many new thermal power stations, especially in arid regions, incorporate cooling processes that minimize the abstraction of water.
Closed-loop (or wet recirculating with cooling tower) systems typically have high rates of consumptive water use and carry a heavy energy penalty, either in the direct input of energy to the process or in reduced power output. For these and other reasons, these processes tend to be costly. Dry cooling is resistant to drought, but power plant efficiency can decrease in warmer and drier climates, compromising their potential cost-effectiveness in many parts of the world. However, both systems allow more flexibility in the location of power plants, which can be sited with more consideration to other potential water users.

Heat generated in thermal power plants, which has to be dissipated with large volumes of cooling water, can be tapped for other purposes — for example in multi-stage flash distillation at desalination plants — with savings in both energy and water abstraction. This has implications in selecting the most appropriate locations for power and desalination plants. Some integrated hybrid desalination plants in the Middle East successfully combine power and water production in the same facility (Section 5.2.1). A variant of this is the use of solar-powered desalination processes (Box 12.2).

Alternative sources of water can be sought for power station cooling. Seawater is an option for coastal plants. Another option in response to the problem of obtaining large volumes of cooling water in arid regions is wastewater, used in 50 power plants in the USA including the Palo Verde nuclear power station (Section 5.2.2).

CHP stations seek the synergies from co-production of heat and power to directly serve neighbourhoods. Although management of the plants to meet the two different demands for heat and power can be challenging, CHP plans have off-setting advantages. In Denmark, CHP plants produce 50% of the total power generated (Section 5.2.3).

Support for the development of renewable energy will need to increase dramatically in comparison to support for fossil fuels in order to make a significant change in the global energy mix and, by association, to water demand.


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WWDR 2014


**ABBREVIATIONS, ACRONYMS AND UNITS**

Abbreviations and acronyms that appear only once in the Report or only in boxes, tables and figures are not included in this list. UN agencies are also not included. Organization and institute acronyms that appear in citations are given in full in the Bibliography.

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BTU</td>
<td>British Thermal Unit</td>
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<tr>
<td>CHP</td>
<td>combined heat and power</td>
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<tr>
<td>CSP</td>
<td>concentrated solar power</td>
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<tr>
<td>CSR</td>
<td>corporate social responsibility</td>
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<tr>
<td>EIA</td>
<td>environmental impact assessment</td>
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<td>EU</td>
<td>European Union</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GHG</td>
<td>greenhouse gas</td>
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<td>IEA</td>
<td>International Energy Agency</td>
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<td>IPCC</td>
<td>Intergovernmental Panel on Climate Change</td>
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<tr>
<td>IWRM</td>
<td>integrated water resources management</td>
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<tr>
<td>kWh/MWh/GWh/TWh</td>
<td>kilo/mega/giga/terawatt-hours</td>
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<tr>
<td>l.p.c.d.</td>
<td>litres per capita per day</td>
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<tr>
<td>LDCs</td>
<td>least-developed countries</td>
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<tr>
<td>MDG</td>
<td>Millennium Development Goal</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>PES</td>
<td>payments for ecosystem/environmental services</td>
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The WWDR4 also seeks to show that water has a central role in all aspects of economic development and social welfare, and that concerted action via a collective approach of the water-using sectors is needed to ensure water's financing for the urgently needed investment in water.

Analyses pressures from decisions that drive demand for water and affect its availability. It offers tools and response options to help leaders in government, the private sector and civil society address current and future challenges. It suggests ways in which institutions can be reformed and their behaviour modified, and explores possible sources of uncertainty and risk. It highlights that historical experience will no longer be sufficient to approximate the relationship between the quantities of available water and shifting future demands. Like the earlier editions, the WWDR4, published in March 2012, presents a comprehensive review that gives an overall picture of the world's freshwater resources.

Managing Water under Uncertainty and Risk – in the context of a world which is changing faster than ever in often unforeseeable ways, with increasing uncertainties and risks. It highlights that historical experience will no longer be sufficient to approximate the relationship between the quantities of available water and shifting future demands. Like the earlier editions, the WWDR4, published in March 2012, presents a comprehensive review that gives an overall picture of the world's freshwater resources.

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UN-Water is the United Nations (UN) inter-agency coordination mechanism for freshwater-related issues, including sanitation. It was formally established in 2003 building on a long history of collaboration in the UN family. UN-Water is comprised of UN entities with a focus on, or interest in, water-related issues as Members and other non-UN international organizations as Partners.

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World Water Development Report (WWDR)
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Global Analysis and Assessment of Sanitation and Drinking-Water (GLAAS)
is produced by the World Health Organization (WHO) on behalf of UN-Water. It provides a global update on the policy frameworks, institutional arrangements, human resource base, and international and national finance streams in support of sanitation and drinking water. It is a substantive input into the activities of Sanitation and Water for All (SWA).

The progress report of the WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation (JMP)
is affiliated with UN-Water and presents the results of the global monitoring of progress towards MDG 7 target C: to halve, by 2015, the proportion of the population without sustainable access to safe drinking-water and basic sanitation. Monitoring draws on the findings of household surveys and censuses usually supported by national statistics bureaus in accordance with international criteria.

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The United Nations World Water Assessment Programme (WWAP) is hosted and led by UNESCO and brings together the work of 31 UN-Water Members as well as 34 Partners in the United Nations World Water Development Report (WWDR) series.

The WWDR 2014 marks the transition of the series to an annual publication cycle with a theme for each year – ‘Water and Energy’ for 2014. This edition of the Report seeks to inform decision-makers within and beyond the water–energy nexus about the interconnections and interdependencies between water and energy; the inevitable trade-offs experienced when providing water and energy for basic human needs and to support sustainable development; and the need for appropriate responses that account for both water and energy priorities, particularly in the context of post-2015 targets on increasing access to water and energy. It provides a detailed overview of major and emerging trends from around the world, with examples of how some of these have been addressed and the implications for policy-makers, and actions that can be taken by various stakeholders and the international community.

Like the earlier editions, the WWDR 2014 contains country-level case studies describing the progress made in meeting water- and energy-related objectives. This edition also presents a Data and Indicators Annex of 41 indicators, which benchmark actual conditions and highlight trends related to water and energy around the world.

FACING THE CHALLENGES

VOLUME 2

INCLUDES DATA AND INDICATORS ANNEX FOR WATER AND ENERGY

FACING THE CHALLENGES

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by Michela Miletto, WWAP Coordinator a.i. and Engin Koncagül, WWDR 2014 Volume 2 Author

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The fifth edition of the United Nations World Water Development Report (WWDR 2014) examines the close interdependency between water and energy, both of which are indispensable for the sustainable development of nations and the well-being of societies.

Despite their centrality to our lives, these two resources are not treated on an equal footing: while energy is considered as an important commercial industry, with great leverage due to market forces, freshwater is taken as public good, scaling relatively low in comparison to energy in broader policy circles. However, the need for energy in providing water services and the use of water in energy production form a critical nexus that requires a holistic approach by decision-makers. The common denominator in this difficult task is the alleviation of poverty: worldwide, the number of people whose right to water is not satisfied could be as high as 3.5 billion and more than 1.3 billion people still lack access to electricity, the lack of both of which are among the root causes of persistent human suffering.

Although little economic value is attributed to water resources, their irreplaceable role in the functioning of all sectors and in helping national economies to prosper is incontestable. In spite of ongoing efforts to improve water use efficiency, however, a business-as-usual approach has pushed the envelope beyond the limits of what is sustainable. And water demand will continue to grow in the foreseeable future, fuelled by population growth and consumption patterns that will simply add to the increasing competition for water resources, which the energy sector forms only one part of.

The WWDR 2014 concludes that the challenge for twenty-first century governance is to embrace the multiple aspects, roles and benefits of water, and to place water at the heart of decision-making in all water-dependent sectors. In particular, it calls for more coordinated planning between energy and water policies.

The thirteen case studies featured in this volume bolster the critical findings of the report by illustrating that an array of opportunities exists to exploit the benefits of synergies, such as energy recovery from sewerage water, the use of solar energy for wastewater treatment, and electricity production at ‘drinking water power plants’. These examples also showcase alternatives to fossil fuel-based energy production, including hydropower development, geothermal energy, solar power and biogas.

Real-life examples clearly demonstrate that human creativity and an enabling environment – created by political guidelines that are adapted to national needs and realities – provide the right responses to these challenges.

The World Water Assessment Programme Secretariat is grateful to the country partners who contributed to the preparation of this volume by sharing their valuable experiences. We would like to invite others, too, to join us in forthcoming editions towards achieving global coverage. We are confident that you will find this compilation of case studies interesting and informative.
An investment in knowledge pays the best interest

Benjamin Franklin
PART 5 CASE STUDIES
Highlights of the findings

The fifth report in the United Nations World Water Development Report series (WWDR 2014) focuses on the close link between water and energy. As with previous reports, the in-depth treatment given to the subject in WWDR 2014 is accompanied by a volume of case studies, prepared by institutional and national partners who have assumed full ownership of this reporting process. The thirteen case studies (see map) presented in this volume provide real-life examples, from five regions, of responses to current water and energy challenges and imminent problems.

Regardless of the geographical setting or the level of national development, the overarching theme of the WWDR 2014 is highly relevant to all countries around the world, not only to the case study partners. Parallel to increasing living standards, the sustainability of escalating consumption of both water and energy resources has become a worldwide concern, with many national agendas recognizing the need to prioritize the decoupling of water use from energy generation. India, for example, has banned the construction of thermal power plants with open-loop wet cooling systems, which rely on high water consumption. As part of its national action plan on climate change, India has also targeted a 20% increase in water use efficiency in all sectors by 2017.

Fossil fuels remain the major source of energy worldwide, but renewable energy resources are gaining in popularity. Solar, geothermal, biogas, biochar and hydropower are just some of the technologies highlighted in this case study volume. Although the initial investments required to construct renewable energy generation facilities can be high, the long-term benefits of using environmentally friendly and sustainable methods to harness energy from natural processes – mostly with very low or zero carbon emission – can be advantageous.

Among the case studies featured, the ones from Mexico and the Gulf Cooperation Council (GCC) highlight the experimental use of solar energy for wastewater treatment and desalination. Desalination has become a necessity to meet increasing freshwater demand in the Gulf region. The energy intensive nature of this operation presents alarming projections: by 2035, Kuwait, for example, may have to allocate as much as 2.5 million barrels of oil per day for water desalination, equal to the country’s entire 2011–2012 oil production. This business-as-usual scenario, to varying degrees, applies to other GCC countries. One notable response is the King Abdullah Initiative in Saudi Arabia, which has the ultimate goal of ensuring that all seawater desalination in the country will rely on solar energy alone by 2019.

Energy demands are rising across the globe and notably in developing countries, in parallel with industrialization, population growth and higher living standards. While fossil fuels continue to supply the biggest portion of this energy, mounting pollution and the financial burden of ever-increasing energy prices have spurred countries to reassess their use of energy resources. The case studies from Italy, Kenya and Turkey focus on geothermal energy, presenting different ways these countries have capitalized on this pollution-free resource, against a shared backdrop of increasing challenges in meeting national energy demands and achieving sustainable development without sacrificing the environment. For example, Turkey – an emerging market country and the world’s seventeenth largest economy – spent US$60 billion on energy imports in 2012, a figure that seems likely to increase in coming years. Faced with this situation, the Turkish government introduced laws to incentivize development of renewable energy sources, especially the country’s rich geothermal potential. With the participation of the private sector, Turkey’s geothermal electricity production capacity doubled between 2009 and 2013. If fully utilized, geothermal resources can now meet 14% of Turkey’s total energy needs. As well as the economic benefits, geothermal technologies offer many environmental advantages over conventional power. The Umbria region of Italy estimates that using geothermal heat to its full potential in its region alone would provide a reduction of more than four million tonnes of carbon dioxide emissions per year. In Kenya, geothermal energy is opt as a key response to overcome the country’s energy bottleneck and to elevate its economy.

Hydropower is among the most common sources of renewable energy used today. This volume features three hydropower projects: the Three Gorges project in China, the Trebišnjica Multipurpose Hydrosystem in Bosnia and Herzegovina, and the Four Major Rivers Restoration project in the Republic of Korea. Together, these provide interesting examples of hydropower usage at very different scales. The Three Gorges Dam power station is the world’s largest. In addition to generating electricity, the dam provides other
advantages, including flood prevention, drought relief and improved inland water navigation. On a far more modest scale, the Four Major Rivers Restoration project in the Republic of Korea is the centrepiece and the most visible part of a larger national green growth strategy that prioritizes ecosystems and environmental sustainability. The Trebišnjica Multipurpose Hydrosystem in Eastern Herzegovina is designed to bring multiple benefits to a water scarce region that lies over a complex karst system.

One of the two case studies from Japan also highlights the versatility of dams, by illustrating how hydropower stations bridged the gap in electricity generation following the shutdown of numerous nuclear and thermal power stations in the aftermath of the Great East Japan Earthquake in 2011.

Wastewater is commonly discharged into rivers, lakes or seas with little (if any) treatment, but the case studies from Austria and Japan highlight innovative ways to harness the potential of waste and turn it into a rich energy source. Gasification in Tokyo, biochar production in Hiroshima, the use of biogas in Kobe and the development of energy self-sufficient wastewater treatment plants in Vienna are good examples of ways that technology can contribute to making our societies more sustainable.

The drinking water power plants in and around Vienna demonstrate some of the potential of resource conservation, which in this case provides the dual benefits of generating renewable energy while reducing water pressure, which is essential for the longevity of the water supply infrastructure.

The case study from Austin, Texas, USA, is a good example of productive collaboration between public water and electricity utilities to identify and exploit synergies and develop integrated programmes and policies. Through research and pilot projects, the city is exploring better and more sustainable uses of both its water and its energy resources. This fruitful cooperation has allowed both utilities to increase their supply capacity in a controlled fashion without the need for major expansion efforts.

Clearly, in spite of growing efforts, water is yet to be decoupled from the complex energy equation. Nevertheless the case studies presented in this volume illustrate some of the options currently available to reduce this looming water and energy crisis. The handful of examples provided remind us, moreover, of the stark truth that the full value of water is still unrecognized, and that there is much room for improvement if we are to curb the unsustainable business-as-usual approaches that have brought us to the situation we find ourselves in today. That said, these positive and often ingenious developments also give us reason to remain cautiously optimistic. It is our heartfelt belief that building the momentum in such initiatives will bring incommensurate rewards: environmental sustainability and poverty alleviation at the global level.
Vienna’s drinking water comes from mountain springs through two long-distance pipelines. The elevation drop allows the gravity flow to turn turbines installed within what are commonly referred to as drinking water power plants (DWPPs), which generate electricity while reducing the water pressure to levels suitable for the city’s drinking water infrastructure. This provides the energy necessary to operate the system itself, as well as surplus electricity which is then sold to utility companies.

The use of such energy-generating systems was temporarily suspended in the 1970s due to economic considerations mainly arising from stagnant energy prices. New pipes with valves to control water pressure were installed to bypass the turbines. In the mid-1990s, however, electricity prices recovered and renewable energy resources became increasingly sought in Austria. This led to the re-operationalization of Vienna’s abandoned water turbines and the construction of new plants.

The DWPP at Mauer, along the Second Mountain Spring Pipeline, was the first new plant to be constructed, while the older DWPP at Reithof, located along the First Mountain Spring Pipeline, was upgraded to boost its initial capacity of 45 kW (in 1929) to 340 kW. The turbines neither alter water quality nor block water flow to jeopardize reliable water supply.

By 2011, more than 65 million kWh electricity was being generated annually by 14 such plants located within and around the city of Vienna, contributing towards achieving the European Community target of a 20% share of energy from renewable sources by 2020 (Directive 2009/28/EC). The city is actively seeking further potential sites for such plants, as well as drawing

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**An energy self-sufficient wastewater treatment plant**

Ebswien, Vienna’s main wastewater treatment plant, purifies approximately 220 million m³ sewage per year. The power used by the plant accounts for almost 1% of the city’s total electricity consumption. Confronted by rising energy costs, however, city officials have turned to innovative approaches to reduce Ebswien’s energy consumption.

The plant uses a number of renewable energy technologies, such as hydropower, solar energy (thermal and photovoltaic), wind power and methane, to lessen dependency on carbon-based energy sources and to decrease greenhouse gas emissions.

These technologies have been carefully implemented to function in an integrated manner. A turbine installed at the point of discharge, where the treated effluent is drained into the Danube River, generates approximately 1.5 GWh electricity annually. Solar thermal and photovoltaic power units are also built into the compound, and a small wind turbine generates sufficient current to power the exterior lighting. An integrated block heat and power station utilizes approximately 20 million m³ methane that has been recovered during the treatment process, producing 78 GWh electricity and 82 GWh heat output per year. In addition, the plant’s energy consumption has been reduced significantly through process optimization and infrastructural measures such as using energy saving bulbs and efficient heating technologies.

As a result of these combined technologies, the Ebswien wastewater treatment plant is not only energy self-sufficient until 2020, but also produces a surplus of approximately 15 GWh electricity and 42 GWh heat output annually. The reduction in greenhouse gas emissions is estimated at approximately 40,000 tonnes per year, equivalent to that of a town of 4,000 inhabitants.

Source: Adapted from Ebswien hauptkläranlage (n.d.) and Umwelttechnik.at (2012).
on other renewable energy technologies to boost its green energy generation potential (Box 17.1).

**Conclusion**

Vienna features a number of innovative green energy approaches. The city’s many DWPPs are prime examples of resource conservation, providing the dual benefits of renewable energy generation and water pressure reduction (which also enhances the longevity of water supply infrastructure). In addition, the Ebswien wastewater treatment plant incorporates various renewable energy technologies to generate more than sufficient energy to power the plant. This highlights an energy-aware approach to wastewater management.

The two projects featured in this case study result in a reduction in carbon dioxide emissions of tens of thousands of tonnes per year when compared to the generation of electricity through carbon-based energy sources. Environmental protection, cost efficiency and curbing climate change are all valuable advantages of these approaches.

**References**

Except where other sources are cited, information in this chapter is adapted from:


The Yangtze River originates in the Qinghai–Tibetan Plateau and runs from west to east through 11 provinces. With its main stream extending more than 6,300 km, it is the longest river in China and the third longest in the world. Its basin area covers about 20% of China’s landmass and holds more than one-third of the country’s population (Figure 18.1). Economic activities in the basin generate nearly 40% of Gross Domestic Product.

The Three Gorges project was designed to tame the Yangtze River, which floods frequently and severely. The project commenced in 1993 and was completed in 2010. The project’s main structure is the 181 m high Three Gorges Dam. It not only regulates the river’s flow, but also is used to generate electricity and for water navigation. The dam is well known for its hydroelectric power station, which is the world’s biggest in terms of installed capacity.

The dam reservoir stores approximately 39.3 billion m³ water and covers an area of 1,084 km². The Three Gorges’ reservoir, which includes a number of ship locks and a ship lift, improved water navigability over a 660 km stretch of the Yangtze River (Box 18.1).

Before the Three Gorges project, droughts and floods frequently affected the Yangtze River basin. According to records, on average, each province in the basin suffered from flood disaster every ten years and from drought every two to three years. The most recent example is the 2011 drought in the lower Yangtze River, which corresponded to the severity of a 100-year frequency drought. To offset the severely reduced natural water flow, about 5.5 billion m³ water was released from the dam reservoir, mainly for irrigation and municipal use. This reduced the effects of the drought, ensuring navigation safety and meeting environmental requirements.

In central and eastern China, periodic floods cause considerable economic losses. The Three Gorges project has significantly enhanced the flood control capability in the middle and lower reaches of the Yangtze River. Between 2003 and 2012, a total of 75 billion m³ floodwater...
was controlled and stored in the dam reservoir. Of this, approximately 27 billion m$^3$ was stored during the 2010 floods.

The project has also allowed easy and permanent access by boat to the beautiful scenery along the Yangtze River. The dam itself, the hydroelectric power station and the ship locks are new man-made attractions that draw tourists from all over the world. In 2012, 1.8 million tourists visited the area. A stretch of the Yangtze River that flows through deep gorges in western Yunnan is a UNESCO World Heritage site.

The highlight of the project is its large installed capacity for hydroelectric power production, which provides electricity to eastern, southern and central China – where power shortages used to be a severe problem. Thirty-four generating units with a total installed capacity of 22,500 MW make the hydroelectric power station in the Three Gorges dam the world’s biggest. Its daily power production accounts for 2% of China’s total. From 2003, when the dam started operation up to 2012, a total of 630 billion kWh electricity was generated. In 2012, electricity production reached 98.1 billion kWh, equivalent to 14% of the country’s total hydroelectric power output. At this rate, the annual electric power generation is equivalent to several large-scale thermal power stations, consuming as much as 50 million tonnes of coal per year. From this perspective, the Three Gorges hydroelectric power station could reduce annual carbon dioxide emissions by up to 100 million tonnes. Its strategic location and great capacity have made it the main hub of the national power grid. The hydroelectric power generated at the Three Gorges brings direct benefits to more than half of China’s population.

Even though a great deal of preparation and planning went into the project’s preliminary phase, it has brought about changes in the area’s social and environmental fabric. In 2011, China’s State Council acknowledged that ‘the project has provided great benefits in terms of flood prevention, power generation, river transportation and water resource utilization, but it has also brought about some urgent problems in terms of environmental protection, the prevention of geological hazards and the welfare of relocated communities’ (Central People’s Government of the People’s Republic of China, 2013). The Chinese government pledged to establish disaster warning systems, reinforce riverbanks, boost funding for environmental protection and improve benefits for the resettled communities (Hays, 2011).

Conclusion
The Three Gorges project is a multipurpose water resources development scheme. The actual investment in the construction and the resettlement amounted to approximately US$29 billion. However, this cost will be rapidly paid off through the cumulative benefits.

### Navigation on the Yangtze River

Also known as ‘the golden waterway’, the Yangtze River has been used by boats for centuries, especially along the middle and lower reaches of the river’s main stream. However, before the construction of the Gezhouba and Three Gorges dams, some sections were only navigable seasonally. This hindered the economic development of the western region because it limited trade between the south-west and the more developed eastern regions of the country.

Located in the Xiling Gorge, one of the Three Gorges of the Yangtze River, the Three Gorges dam improves waterway conditions from Yichang as far west as Chongqing City. As a result, ships from inland ports are now able to transport goods all the way to the sea at Shanghai. The navigational infrastructure, established as part of the project, includes double-way, five-tier ship locks with the highest water head and the most steps in the world. The total length of the ship locks’ main structure is 1,607 m and it can accommodate barge fleets weighing up to 10,000 tonnes. In 2011, the cargo that passed through the ship locks reached 100 million tonnes for the first time – which is six times the cargo weight of 2003. Overall, from June 2003 to the end of 2011, over half a billion tonnes of cargo was transported through the ship locks, providing a huge boost to the economic development of China’s western and middle-eastern regions. The navigation industry alone created 150,000 jobs in the Chongqing area. Other navigation-related activities created more than 500,000 jobs. All in all, over two million people have been employed.

The lower cost of transporting boats has helped to reduce fuel consumption and greenhouse gas emissions substantially. In 2009 for example, 500,000 tonnes of fuel was saved thanks to water transport departing from Chongqing City. This, in practical terms, translates into a reduction of 1.5 million tonnes of carbon dioxide emissions.
obtained, notably in minimizing the impact of floods and droughts. To give an example, the economic damage caused by the 1998 flood in the Yangtze River basin was practically equal to the total investment in the Three Gorges project. Other dimensions, such as electricity generation and river navigation, make the project even more cost-efficient. The revenue generated by electricity sales alone is expected to cover the investment by 2015. The production of hydroelectricity and improvements in river transport also contributed to significant reductions in greenhouse gas emissions. The project’s role in regulating flow has improved water quality in the river during drought periods through dilution. However, the Three Gorges project has also caused new environmental problems: the inundation of arable lands and rare plants; weakened self-purification capacity in certain tributary sections of the river basin; and changed aquatic ecosystems in the reservoir area, as well as in the middle and lower reaches of the Yangtze River. These and other emerging problems have been acknowledged by the Chinese government, which has pledged to take improvement measures.

Acknowledgement
Three Gorges Corporation

References
Except where other sources are cited, information in this chapter is adapted from:


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Eastern Herzegovina is a region of some 7,500 km² in the south-eastern part of Bosnia and Herzegovina. For the purposes of this case study, it refers to the area delineated by the Neretva River in the west, Montenegro in the east and Croatia in the south-west. In spite of abundant rainfall that ranges from 1,250 mm to about 2,450 mm per year, access to water is a challenge as a result of the karst terrain which allows almost 80% of rainwater to immediately percolate deep into the ground, making permanent surface flow rare. Four of the five rivers in Eastern Herzegovina (the Trebišnjica, Zalomka, Bregava, Mušnica and Buna rivers) disappear into complex underground structures within relatively short distances of their sources and reappear as permanent or temporary springs in various locations (Figure 19.1). Water availability becomes an even more pressing issue during dry summer periods when demands for domestic use and irrigation are highest. In remote areas, villagers rely on rainwater collected during winter and groundwater from siphonal lakes in natural karst shafts. The region’s only agricultural land is in the karst poljes – flat-floored geographic depressions which, under natural conditions, remain flooded for between 150 and 250 days per year. With an estimated 100,000 inhabitants living in the region in 2006, the population of Eastern Herzegovina remains low. Difficult living conditions have been driving people out of this region over many decades.

In contrast to the limited surface water resources in Eastern Herzegovina, there is a considerable amount of groundwater available in the region. However, this has not been sufficiently investigated. This is why the economic and social development of the region currently depends on being able to optimize the use of its scarce surface water resources. Among these, the Trebišnjica River is the most important; it is the longest sinking river in Europe with a total length of 90 km, of which about 30 km is permanent. The Trebišnjica Multipurpose Hydrosystem (TMH) aims to harness the potential energy of this river. The project, which was initiated in 1959, consists of seven dams, six artificial reservoirs, six tunnels and four channels (see also Box 19.1). Producing
Hydropower is the main priority of the TMH because exporting electricity to neighbouring countries is Eastern Herzegovina’s main source of income. However, the project also aims to provide water for all sectors, including for fish farming, for recreational purposes and for the prevention of deforestation.

The TMH has not been fully implemented yet and only the lower part – from sea level up to an elevation of 400 m – is in operation. Four dams (Table 19.1) in this section have, between them, an installed capacity of 818 MW, enabling them to generate around 2,700 GWh electricity per year. The finalization of the upper part of

<table>
<thead>
<tr>
<th>Hydropower plant</th>
<th>Reservoir capacity (million m³)</th>
<th>Installed capacity (MW)</th>
<th>Average annual electricity generation (GWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trebinje I</td>
<td>1 280.0</td>
<td>180</td>
<td>571</td>
</tr>
<tr>
<td>Trebinje II</td>
<td>15.9</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>Dubrovnik</td>
<td>*</td>
<td>210</td>
<td>1 564</td>
</tr>
<tr>
<td>Čapljina</td>
<td>5.2</td>
<td>420</td>
<td>620</td>
</tr>
</tbody>
</table>

Note: * Dubrovnik does not have reservoir capacity as the water for hydropower production flows via a tunnel from the reservoir of Trebinje II.

The Dinaric Karst and the DIKTAS project

The Dinaric Karst covers a large area extending from Italy to Greece. Highly porous rock formations in this system serve as conduits that allow groundwater to cover long distances. Eastern Herzegovina, including the Trebišnjica River basin, is a part of this extensive karst formation.

The main water-related challenge in Eastern Herzegovina is to deal with the regularly alternating summer droughts and winter and spring floods. One of the aims of the Trebišnjica Multipurpose Hydrosystem (TMH) is to minimize this challenge, while providing other benefits to the residents of the region. Four hydropower plants (Table 19.1) were built between 1954 and 1981 as a part of the lower section of the project (Figure 19.1). These power plants are currently situated in two countries, Croatia, and Bosnia and Herzegovina, which formed following the break-up of Yugoslavia in the early 1990s. The technical challenges of water resources development in a complex karst system were further compounded by the political difficulties that set in in the aftermath of the civil war that broke out in 1992. Consequently, the realization of the upper section of TMH has been slowed down substantially as a result of limited cooperation among political entities in Bosnia and Herzegovina as well as among neighbouring countries.

Similar challenges are present in the broader setting of the Dinaric Karst, as it is the major source of freshwater for Croatia, Bosnia and Herzegovina, Montenegro and Albania. The Global Environment Facility (GEF) funded the Protection and Sustainable Use of the Dinaric Karst Aquifer System (DIKTAS) project, which is a pioneering effort that aims to introduce sustainable integrated water resources management principles in such an extensive transboundary karst aquifer system. DIKTAS is implemented by UNEP and executed by UNESCO’s International Hydrological Programme. The core DIKTAS project partners – Albania, Bosnia and Herzegovina, Croatia and Montenegro – agreed to create two mechanisms to facilitate enhanced consultation and the exchange of information between the government entities that are involved in water resources management: national inter-ministerial committees (NICs) in each of the project countries and a consultation and information exchange (CIE) body at the regional level. The NICs and CIE together represent the key combination of technical and political experts involved in the project who will discuss, comment and approve the project’s products, such as transboundary diagnostic analysis (TDA), environmental quality objectives, and environmental status indicators and their long-term monitoring. The NICs and CIE will have a central role in the preparation and implementation of the Strategic Action Programme aimed at harmonizing existing policy and institutional frameworks.

Source: Adapted from DIKTAS (2013).
the TMH at elevations between 400 m and 1,000 m above sea level has been pending for years, delayed as a result of the civil war. Hydropower plants due to be built at Nevesinje, Dabar and Bileća in the highlands will, when they come online, boost power capacity by almost 250 MW and augment the benefits that the TMH has already brought to the people of the region. Prevailing political stability and growing cooperation will certainly facilitate the construction of these plants resuming without a long delay.

Unconventional structures such as underground dams and water collecting galleries are being considered to make the best use of underground water resources, which so far have not been tapped. One such technically challenging project in the region is the Omla underground dam near Dubrovnik in Croatia, which is currently under consideration for construction. The Omla River rises as a karst spring and is fed by groundwater that is partly replenished by the Trebišnjica River.

**Conclusion**

Temporarily flooded karst poljes, ephemeral rivers, numerous caves and deep underground flows characterize the terrain of Eastern Herzegovina. In spite of abundant rainfall, karst terrain and the uneven distribution of precipitation makes its inhabitants vulnerable to frequent floods and droughts. The TMH was initiated in the early 1950s to improve the livelihoods of the people in the region by regulating water supply to make it available all year round for multiple uses, most notably electricity generation. The hydropower plants that were built as a part of the TMH are the most important agents of economic development in Eastern Herzegovina. However, the complex karstic system and the state borders that dissect the region make the integrated management of water resources complex. In the face of increasing demand for water and energy, optimizing the use of water resources using a holistic approach calls for a common effort to be made by all stakeholders in the region. In this context, DIKTAS is a noteworthy project that contributes to the process of building a bridge of cooperation between political entities and countries in the Dinaric Karst region.

**Acknowledgements**

Petar Milanović, Neno Kukurić

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Except where other sources are cited, information in this chapter summary is adapted from:


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Water and energy are crucial for development. The Gulf Cooperation Council (GCC) countries (Saudi Arabia, Qatar, United Arab Emirates, Oman, Bahrain and Kuwait), situated in one of the most water scarce regions of the world, are facing a critical challenge in addressing growing interdependency between these two resources. Without energy, mainly in the form of electricity, water cannot be delivered for its multiple uses. Water is also needed for energy production, notably for cooling and enhanced oil recovery processes in the region, in addition to other applications.

The population of the GCC countries is almost 45 million (Markaz, 2012), and is projected to reach 70 million by 2050. This demographic growth, along with accelerated socio-economic development, has led to a substantial increase in water demand, placing further stress on scarce and mainly non-renewable water resources in the region. Growing water demand has also necessitated the use of more energy for the provision of water supply. It is estimated that water services currently account for at least 15% of national electricity consumption in most of the Arab countries. This share is continuously on the rise (Khatib, 2010). Intergovernmental Panel on Climate Change (IPCC) assessments show that the limited amount of water that is available in the region is expected to further decline as a result of climate change and human-induced quality problems (Bates et al., 2008). Consequently, more energy will be required to treat poor quality water for drinking and food production, or to pump water from greater depths or transfer it from greater distances. The main concern linked to growing water–energy interdependency is the increasing greenhouse gas emissions which, based on current trends, are expected to double to 9% of global emissions by 2035 (Khatib, 2010). In other words, climate change is expected to increase both water and energy needs, thus creating a feedback loop of environmental deterioration.

Given the region's limited endowment of renewable water resources, desalination, mainly through cogeneration power desalting plants (CPDPs), has become a common but energy intensive method of satisfying the increasing demand for water. In fact, about 50% of the world's desalination capacity is installed in the GCC countries (Dawoud and Al Mulla, 2012), and combined annual capacity in the region is projected to reach 19 billion m³ by as early as 2016 (GWI, 2010) (Figure 20.1). In 2005, the average share of desalinated water destined for municipal use in the GCC countries was around 55% (World Bank and AGFUND, 2005). This ratio is expected to increase gradually because of the ongoing deterioration of the quality of the groundwater.

Although GCC countries are rich in fossil fuels, meeting escalating demand for water by expanding desalination has become a very hydrocarbon intensive process, claiming a sizeable portion of the main export of these countries. For example, in Saudi Arabia, which has more than 18% of the world’s desalination capacity, 25% of domestic oil and gas production is used to produce water through CPDPs. If the current trend continues, this share
Undoubtedly, these projections are alarming both from a sustainability point of view as well as in the light of environmental concerns such as greenhouse gas emissions and seawater pollution by discharged brines, a by-product of desalination (Abderrahman and Hussain, 2006). While the impact of discharges from thermal desalination plants has not been studied in depth at the regional level, given the enclosed nature of the Gulf, the GCC countries are increasingly concerned by the potential damage to the fragile marine ecosystem (Al-Jamal and Schiffler, 2009). In general, the information that is currently available indicates that there is a need for a comprehensive environmental evaluation of all major desalination projects at the global level (Lattemann and Höpner, 2003).

Using solar energy as a vast renewable resource in the region is being considered as a way of decoupling expanding desalination projects' dependence on hydrocarbon energy sources (Box 20.1). The use of other potential energy sources, such as biogas (methane) that has been recovered from wastewater treatment plants, is one of the viable solutions to reducing the environmental footprint of producing more energy to keep pace with rising demands for water provision and services.

The GCC countries have recognized that good water management is just as important as technical solutions are in trying to ease water scarcity. In their thirty-first summit in 2010, the GCC heads of state issued the Abu Dhabi Declaration, which acknowledged the strong link between water and energy. The Declaration, among other matters, called for a comprehensive long-term strategy for water resources in the GCC countries that would take into account the interdependencies between water, energy and agriculture, the effects of climate change, and the environmental impact of desalination, emphasizing water demand management and conservation. The Declaration consisted of many recommendations on using water and energy efficiently, including the use of economic, technological, legislative and societal awareness tools. Most importantly, the Declaration linked water security with energy security and considered both as crucial strategic priorities for the future of the GCC countries.

**Conclusion**

Addressing water scarcity is considered a major challenge in the GCC countries, which are situated in one of the most water-stressed regions of the world. These countries have so far been able to alleviate the challenge by tapping fossil groundwater resources and using seawater desalination as a complementary source. However, an increase in the amount of water being used has led to the depletion of some aquifers and a deterioration of quality in others. This has made desalination necessary to meet various water demands, notably municipal uses. In 2005, desalinated water accounted for more than half of the drinking water supply in the GCC countries and...
this ratio is expected to grow. The total installed capacity of desalination plants in the region has reached almost half of worldwide production at the expense of intensive fossil fuel use as the main source of energy. However, environmental impacts, such as greenhouse gas emissions and the by-products of desalination require careful consideration to be able to achieve water security without sacrificing the environment. Projects aimed at using alternative and renewable energy sources such as solar, wind and biogas from wastewater can help to decouple carbon intensive energy production and the growing need for water desalination. The importance of integrated management approaches to water and energy resources as well as conservation efforts have been recognized by all countries at the highest level.

Acknowledgement
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References
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With more than 1.2 billion people, India is the second most populous country in the world – and according to estimates, it will be the most crowded nation by 2025. In parallel to its rapid population growth and increase of water consumption in all sectors, the country’s per capita water availability declined threefold over the past six decades (from over 5,000 m³ in 1951 to 1,600 m³ in 2011). Agriculture, which accounts for 85% of all water use, continues to be the national priority. Taking these factors into consideration, the combined demand for water is likely to reach or outstrip availability by 2050. This alarming projection calls for water to be mainstreamed in all planning activities nationwide.

A sustainable supply of energy is vital if India is to keep its momentum as one of the fastest growing major economies in the world. In fact, the country is the fifth largest electricity producer at the global level. And yet more than half the population lacks access to electricity, and India’s per capita electricity consumption is less than one-quarter of the world average (IEA, 2011). In an attempt to close this gap in a modernizing society, electricity generation is expected to increase rapidly to reach around 4,900 TWh a year by 2050 – about six times the 2010 level. Nevertheless, India’s installed capacity is dominated by coal-based and gas-based thermal power (56%) followed by hydropower (23%).

Figures demonstrate that India’s thermal power plants (TPPs) account for about 88% of the total industrial water demand in the country (CSE, n.d.). These mostly older generation TPPs run on open loop–wet (OLW) cooling systems with an average water use intensity around 40 to 80 times higher than the current world average for closed loop systems. Table 21.1 shows water use intensity in electricity generation under different fuel use categories and cooling types in India. While the national energy portfolio is complemented by increasing shares of natural gas and renewable energy resources, the abundance of national coal reserves means that the dominance of coal-based TPPs is not likely to change.

The environmental impact of TPPs, especially those equipped with OLW cooling systems, is a concern. These plants release above-ambient temperature cooling water into rivers and canals, causing thermal pollution and adversely affecting the aquatic ecosystems. To minimize potential damage, India’s Ministry of Environment and Forests (MOEF) banned the construction of TPPs with OLW cooling systems in June 1999. The only exceptions allowed are power plants set up in coastal areas that can use seawater as a coolant. The recently introduced Zero Discharge policy also obliges operators to recirculate and reuse water in TPPs. These two regulations help to reduce the amount of water used in thermal power

### Table 21.1 Water use intensity of thermal power plants according to fuel type and cooling system

<table>
<thead>
<tr>
<th>Fuel type</th>
<th>Cooling type</th>
<th>Water use intensity of thermal power generation (m³/MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>Wet cooling–open loop</td>
<td>80.0–160 a</td>
</tr>
<tr>
<td></td>
<td>Wet cooling–closed loop</td>
<td>2.8–3.4 b</td>
</tr>
<tr>
<td></td>
<td>Dry cooling</td>
<td>0.45–0.65 b</td>
</tr>
<tr>
<td>Natural gas</td>
<td>Wet cooling–closed loop</td>
<td>1.10–1.5 b</td>
</tr>
</tbody>
</table>

Sources: a CSE (n.d.) and IL&FS (2009); b KES (2012); c based on data collected from literature review and experts’ interviews and compiled by the International Institute for Applied Systems Analysis (IIASA, personal communication, 1 August 2012); and d NEERI (2006).
generation. However, it has been estimated that around 25% of TPPs are still using OLW cooling with high water demand. Retrofitting cooling systems that conserve water in these old plants is not considered economical. Therefore, these plants will continue to function until they eventually reach the end of their designed lifespans. As Figure 21.1 shows, switching to more efficient cooling methods in TPPs would allow a reduction in water demand of about 145 billion m$^3$ per year by 2050.

The current problem is that national planning for power generation does not fully take into account the issue of long-term water availability in the country. The findings of various basin-level studies illustrate that water availability may put the operational continuity of power plants in jeopardy. In fact, the geographical distribution of existing TPPs shows that more than 80% of these are set up in either water scarce or water stressed regions where electricity demand is expected to remain very high (Figure 21.2). Given the priority that irrigation has, followed by water for domestic use, TPPs are facing a considerable challenge to secure their required water supply, especially during the dry season. Consequently, rainwater harvesting has become a standard proposal to win government approval for the construction of new power plants. Various scenarios (which assume medium-level economic and technological development with no stringent climate target) show that overall water demand may exceed the usable annual water availability in the country by 2050. This could further intensify existing conflicts between sectors on water use (Box 21.1). In view of the worsening situation, realigning long-term water use plans with water availability becomes a priority to avoid any potential crisis.

Clearly, the relative severity of water scarcity will vary depending on the availability of renewable freshwater resources at the local level, the trends in demographics and land use, and the political influence of water user groups. However, the fact remains that the rapid depletion of limited water resources calls for more investment in research and development. Such investment is needed notably to promote water-efficient technologies in all sectors, to carry out periodic

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**Figure 21.1** Projected water demand for electricity generation

<table>
<thead>
<tr>
<th>Year</th>
<th>NCIWRD</th>
<th>IGES estimate (with policy)</th>
<th>IGES estimate (without policy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>2025</td>
<td>100</td>
<td>150</td>
<td>200</td>
</tr>
<tr>
<td>2050</td>
<td>250</td>
<td>200</td>
<td>250</td>
</tr>
</tbody>
</table>

Note: The base year of the Institute for Global Environmental Strategies (IGES) model study was set at 2005 and water demand projection for electricity generation was estimated for 2010, 2025 and 2050 for comparison with National Commission on Integrated Water Resources Development (NCIWRD) projections. IGES estimates water demand for the electricity sector based only on the water use intensity of power plants. The electricity sector’s water demand with policy intervention is basically considering the closed loop–wet cooling system installed after 1 June 1999 and without policy water demand is a reference estimate of continuation of use of open loop–wet cooling systems in the thermal power stations.

**Figure 21.2** The water stress level of major river basins and the distribution of thermal power plants

Based on Falkenmark Index (derived from average annual surface water potential) EFR: East Flowing River WFR: West Flowing River

Sources: Water scarcity map developed by the Water and Resources Institute using Central Water Commission (2010) and IDFC (2011) data; and power plant location plotting done by the Institute for Global Environmental Strategies (IGES) using the Global Energy Observatory database.
water-use auditing that allows the prioritization of water conservation strategies in TPPs, and to foster better cost recovery for water services. Some positive developments indicate that there is a growing awareness of how to use limited water resources better and how to protect the environment. For example, National Water Mission (one of the key elements of the National Action Plan on Climate Change) aims to achieve a 20% increase in efficiency in water use in all sectors by 2017, and the National Green Tribunal asked MOEF to revise its area selection criteria for setting up TPPs in environmentally sensitive areas.

Conclusion
With rapid population growth, the per capita water availability in India has dipped below the alarming threshold of water stress (1,700 m³). The situation will worsen in coming years with increasing demands from the agricultural, domestic and industrial sectors. Projections made in the light of current trends show that by 2050, water demand will surpass water availability. Agriculture is, by far, the largest water user in the country and any reduction in agricultural consumption will translate into a substantial increase in water availability for other sectors and the environment. However, the energy sector also has room for improvement in reducing its water footprint. From one perspective, TPPs form the backbone of the national power supply, generating almost 60% of India’s electricity. From another, almost one-quarter of existing TPPs are equipped with open loop–wet cooling systems that use 40 to 80 times more water than the world average. A gradual transition to more water-efficient cooling systems in TPPs will reduce water demand and lessen the impact on the environment. To maintain its position among the fastest growing major economies in the world, India will have to reassess its long-term water use projections in view of general water availability, and continue to improve its water use efficiency in all sectors.

Acknowledgements
Bijon Kumer Mitra, Anindya Bhattacharya

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In many regions of the world and under a variety of geological settings, high and low temperature geothermal resources can provide concrete answers to the need for sustainable energy. Without science-based assessments however, decision-makers lack an understanding of the geothermal resources of their territories, and so are unable to take them into consideration as part of energy planning. This case study reports on the development of a science-based assessment – or ‘reconnaissance’ – of the geothermal potential of the Umbria region in central Italy. It can be used as an example for governments, regional and local administrations, and stakeholders from the private sector who want to integrate geothermal energy into their energy budgets. The science-based methodology that tested successfully in Umbria can help decision-makers and the private sector to (a) respond to increasing demands for energy; (b) improve sustainable economic development through the use of this renewable and environmentally safe energy source; and (c) become more involved in developing green economy approaches and technologies for power production and for other uses.

Technologies currently on the market provide commercially viable solutions for the exploitation of a wide range of geothermal waters. They cater for resources across the spectrum from low and very low enthalpy geothermal resources – which are practically ubiquitous in the earth’s subsurface and can be used with geothermal heat pumps to both heat and cool – to the highly competitive and environmentally safe use of the more localized medium and high enthalpy geothermal resources for agro-industrial purposes and for power production. For example, modern, binary cycle geothermal power plants, with nearly zero emissions (Box 22.1), are able to produce electricity and heat starting from fluids at temperatures as low as about 100°C, while the conventional ‘flash’ geothermal power plants need fluids with temperatures of 180–200°C or above.

The assessment of the science-based methodology in Umbria followed an integrated research approach that included geological, geochemical, geophysical, three-dimensional geological and thermo-fluid-dynamic modelling. It was largely based on existing accessible data collected since the early 1960s. It resulted in a preliminary, reconnaissance-level conceptual model of the geothermal systems located in Umbria, which will facilitate the development of projects by a wide range of potential users. The Umbria Regional Administration is using the results of this assessment to integrate geothermal energy potential into the regional sustainable energy plan, to promote its implementation by providing information and incentives, and to act as guarantor for environmental protection in the use of geothermal energy.

From the outset, the assessment was conducted with the systematic involvement of stakeholders, including local communities as well as local administrators and representatives of the private sector. A public workshop was held in March 2012 to present the objectives and the methodologies. The goal was to get feedback from local communities and stakeholders on the issues of demand and the need for thermal energy, and to listen to suggestions and proposals.

Under Italian law, geothermal resources and hydrocarbons are owned by the state and can be exploited only according to specific regulations and subject to specific
safeguards. To address this, the assessment also set out strategies for the sustainable management of the resource, including the fluid reinjection programmes. Italian law also takes into account the visual impact on the landscape and natural hazards that might be triggered by exploiting geothermal resources. To this end, they prescribe mandatory environmental and seismic life-cycle monitoring. So before any authorization is given to exploit these resources, an environmental impact evaluation is carried out. Both local authorities and representatives from local communities must be involved in this environmental impact assessment, and this was indeed the case in Umbria.

The assessment had already catalysed some developments on the ground. In fact, activities had been initiated for the use of geothermal fluids for power production at temperatures over 100°C. This substantially increased the percentage of power being produced from renewable sources in the Umbria region – including the direct use of the produced heat in a ‘cascade’ of decreasing temperature requirements.

**Conclusion**

The geothermal energy potential assessment realized in Umbria aims to integrate geothermal energy into the local energy budget and serve as a tool to support informed decision-making on the cost-effective use and management of the natural heat stored in aquifers. It shows how it can be harnessed for different uses, from the direct use of low temperature resources for domestic and agro-industrial purposes, to the transformation into electricity of middle to high temperature resources. The science-based methodology applied and successfully tested in Umbria will facilitate responses to society’s increasing energy needs in a sustainable and environmentally friendly way.

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**References**

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The Great East Japan Earthquake of March 2011 caused unprecedented damage to a large part of eastern Japan, particularly to the regions of Tohoku and Kanto. The majority of the damage was caused by a giant tsunami that was triggered by the earthquake. Almost 18,000 people died and 400,000 buildings suffered damage. The Fukushima Daiichi Nuclear Power Plant was severely flooded, causing it to malfunction and shut down. For similar reasons, ten other reactors also went offline almost consecutively. Furthermore, the reactors, which were already shut down at the time of disaster due to their periodic inspection, remained non-operational as a result of political pressure in the aftermath of the nuclear accident in Fukushima Daiichi. As a result, nuclear power generation dropped by almost 65% compared with same period in 2010 (Figure 23.1). The earthquake and the tsunami also affected the energy output of thermal power plants in the affected regions. Consequently, ten days of rolling blackouts started three days after the natural disaster. Radioactive contamination made recovery efforts that were already hampered by widespread blackouts even more complex.

In view of the sharp decline in the supply of power, the government requested the public in affected areas to reduce their electricity consumption by 15%. Also in line with the Electricity Business Act, a limit was put on the amount of power being consumed by commercial entities. To alleviate the energy crisis, dams in the service area of the Fukushima Daiichi nuclear power plant and those in the vicinity of Tohoku (the main disaster region) were instructed to give priority to producing the maximum amount of hydroelectricity possible.

A number of dams in the Kitakami River basin followed this directive and prioritized power generation. The Shijushida Dam operated for 24 hours on 17 March and 18 March, generating 349 MWh – or about twice its pre-earthquake output. The Gosho Dam increased its power output to 216 MWh – about 1.7 times its pre-earthquake output. The Naruko Dam, which usually stores water in mid-March (which was when the earthquake hit) for the irrigation of paddy fields, also prioritized the generation of hydroelectric power. In total, 16 dams, all directly managed by the Tohoku Regional Development Bureau at the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) shifted their main use from irrigation to electricity generation to help overcome the power shortage in the afflicted areas.

To maintain a stable power supply, the Kanto Regional Development Bureau also initiated flexible dam operations on 17 March 2011 in all dams on the Sagami River basin. And by diverting flow to the Tsukui Channel, they managed to generate about 230,000 kWh of hydroelectric power – enough to meet the energy requirements of 510 households. This plan remained in operation for 45 days, until 30 April 2011.

Dams on the upper Tone River, which were originally designed to supply water to downstream areas and to maintain the river environment, were also switched to maximizing their power output. The Fujiwara hydroelectric power plant, for example, generated sufficient power for about 9,000 households. All these emergency dam operations involved careful planning that factored in reservoir replenishment by snowmelt. Weather forecasts were also monitored closely to ensure that as much power as possible could be generated and that the electricity output could be sustained.
Conclusion
The Great East Japan Earthquake and the subsequent tsunami caused an unprecedented disaster. Almost 18,000 people died or are permanently unaccounted for and 400,000 buildings were damaged. In addition to the challenge of supplying drinking water to evacuees in emergency shelters, power shortages were extremely serious, and affected the entire nation. The Fukushima Daiichi Nuclear Power Plant, the main supplier of Tokyo’s power, went offline after the earthquake and tsunami, and other nuclear plants were shut down soon afterwards for safety reasons. To reduce the impact of the power shortage, a series of government-led emergency measures was implemented immediately after the disaster, calling for the utmost effort on both the supply and the demand sides. The emergency dam operations in the Tohoku and Kanto regions demonstrated the versatile nature of dams that allowed a switch of priority from irrigation to power generation to alleviate electricity shortage in overwhelming circumstances.

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References
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A 15 m high tsunami, triggered by the magnitude nine Great East Japan Earthquake on 11 March 2011, caused a nuclear accident by damaging the cooling systems of three reactors in the Fukushima Daiichi Nuclear Power Plant. This event required more than 100,000 people to be evacuated from their homes (WNA, 2013). In the wake of this major incident, the promotion of green energy became one of Japan’s national goals. In this process, municipal sewage sludge was identified as an untapped resource with great potential. The Japanese government was prompted to implement policies to support the development of suitable technologies to benefit from the sludge to the greatest possible extent. This case study features three leading projects where green energy is produced from municipal sewage sludge: gasification in the Tokyo Metropolitan Area, biochar production in Hiroshima City and the use of biogas as vehicle fuel and city gas in Kobe City.

24.1 Gasification in Tokyo
In 2006, the Tokyo Metropolitan Government implemented a programme to reduce greenhouse gas emissions in the area by 25% by 2020 (the year 2000 was taken as the baseline). Wastewater service activities, generating 40% of the emissions, were identified as the main challenge. The gasification of sewage sludge was proposed as an effective solution. This process converts the organic materials in wastewater into a gas mixture, which is then used as fuel for drying sludge and generating power. The high temperature in the heat recovery furnace helps to minimize the emission of nitrous oxide, which is an even more potent greenhouse agent than carbon dioxide. With the exception of a period following the Great East Japan Earthquake, the project has remained operational and met the targets set for the generation of power. However, the energy output of the dewatered sludge has been less than expected, which means that natural gas has had to be added to the fuel mix to achieve stable power generation. This aspect will require further enhancement to reduce the cost of the operation as well as to improve its environmental benefits.

24.2 Biochar production in Hiroshima
Hiroshima City had started considering biochar production as early as 2007, some four years before the 2011 earthquake. The amount of sewage sludge being generated at that time was 58,000 tonnes per year. Of this sludge, 31,000 tonnes was recycled as either compost or cement. The remainder was incinerated and used for land reclamation. However, it was subsequently considered that reclamation was not an environmentally conscious practice, and site capacity was limited. In addition, the incinerators had reached the end of their designed life and it would have been too costly to renew them. Most importantly, the unsecure disposal of sewage sludge remained a risk in view of the fluctuating need for compost and cement. Under these circumstances, Hiroshima City contracted private companies in a joint venture on a design–build–operate basis. The design and construction of the facility lasted three years and ended in March 2012. The operational period will run for 20 years – up to 2032.

The contractor handles 28,000 tonnes of dewatered sludge per year in a plant that has a daily capacity of 100 tonnes. The project uses low-temperature (250°C to 350°C) carbonization technology, which allows the production of biochar that has a high calorie, low risk of self-ignition and a low odour level. In the first six months of operation (April to September 2012), 14,000 tonnes of dewatered sludge was processed and 2,300 tonnes of biochar was produced. From an environmental perspective, the use of biogas (which is generated as part of the sludge dewatering process) as a fuel to produce biochar reduced the annual greenhouse gas emissions (carbon dioxide) of the city’s wastewater services by 12%. Furthermore, using biochar at coal-fired power plants is expected to reduce yearly greenhouse gas emission by another 9%.

24.3 Biogas as vehicle fuel and city gas in Kobe
Six wastewater treatment plants in Kobe treat approximately 500,000 m³ sewage per day, generating 37,000 m³ biogas. Because of its poor quality, this combustible gas was mainly used on site to heat digester
tanks. But in an attempt to reduce greenhouse gas emissions in the city, the Kobe City authorities started to supply biogas as an auto fuel and also mixed it into the city’s gas supply in purified form.

One example of how this works is the wastewater treatment plant at Higashinada, which generates 10,000 Nm³ (normal cubic metres)¹ biogas per day. Following the purification process, 20% of the biogas is used to fuel vehicles, 45% is used in the in the wastewater treatment plant in which it is generated, and the remainder goes through a second level of purification before being fed into the city gas supply. Overall, the project produces 800,000 Nm³ biogas per year, which is equivalent to the annual gas consumed by 2,000 households. The project has resulted in a reduction of 1,200 tonnes of carbon dioxide emissions per year.

**Conclusion**

The nuclear disaster at Fukushima Daiichi in 2011 brought renewed attention to ways of producing green energy. Three case studies – from the Tokyo Metropolitan Area, Hiroshima City and Kobe City – show innovative ways of generating energy by using biogas and biochar derived from municipal sewage. The methods being used have also helped to reduce environmental pollution by reducing greenhouse gas emissions and decreasing the amount of waste that these municipalities need to dispose of into nature. Technological improvement is likely to further increase efficiency in the methods described and pave the way for a wider adoption of programmes that turn common waste into a rich green energy resource.

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**References**

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¹ Normal cubic metres (Nm³) describes the volume of gas under standard temperature and pressure conditions.
In Kenya, the rate of electrification is around 16%, among the lowest rates in sub-Saharan Africa. The state-owned Kenya Electricity Generating Company Limited (KenGen) is the major energy utility and produces 80% of the electricity used in the country. Its 14 hydroelectric power stations account for almost half of the national electricity supply. Heavy reliance on hydropower has, however, made Kenya’s power supply susceptible to variations in rainfall. With droughts becoming more frequent, water and power shortages are affecting all sectors of the economy. For example, the drought that occurred between 1999 and 2002 had a drastic impact on the hydropower plants and caused a 25% reduction in the amount of electricity generated in 2000 (Karekezi et al., 2009). The resultant cumulative economic loss was estimated to be about 1% to 1.5% of the total Gross Domestic Product, roughly US$442 million (Karekezi and Kithyoma, 2005).

As a stop-gap measure, the government engages private energy companies that generate electricity using imported fossil fuels such as coal and diesel. This option has proved to be costly because of the rising prices of such fuels in international markets. It also leads to considerable air pollution from diesel generators (GDC, 2013).

While only one in five Kenyans has access to electricity (IEA, 2011), rapidly rising demand is expected to outstrip supply over the coming years. To address this challenge – while still keeping a low carbon footprint – the energy sector has focused on renewable resources in line with Vision 2030, which is the blueprint for the country’s transformation into a middle income nation by 2030 (Box 25.1).

The successful implementation of the Vision greatly depends on the supply of adequate, reliable, clean and affordable energy. The energy sector is expected to remain a key player in the overall improvement of the general welfare of the population, which includes the international goal of halving poverty by 2015. The Ministry of Energy will facilitate this by creating an enabling environment for private sector-led growth in energy supply. The key steps in achieving this target are identified as licensing firms to explore geothermal fields, formulating policy and developing an appropriate legal and regulatory framework.

The exploitation of geothermal resources is one of the critical elements of Kenya’s Vision 2030 growth strategy. Its main advantages over other sources of energy are that it is indigenous, output is not affected by climatic variability and it has no adverse effects on the environment.

Geothermal fields located within the country’s Rift Valley have the potential to produce an estimated 14,000 MW. This rich source has not been adequately tapped: the installed geothermal capacity corresponds to just 1.5% of the country’s potential (ERC, n.d.). Ongoing projects are geared towards meeting the Vision 2030 medium-term target of 1,600 MW by 2016, and eventually 5,000 MW of geothermal power by 2030 (Table 25.1). This would account for one-quarter of Kenya’s total installed capacity, and would be a substantial increase on the 2012 figure of 10%.

To attract investment in energy production, the government introduced the Energy Act in 2006. The Act established the Energy Regulatory Commission (ERC), set up to enforce and review environmental quality standards in coordination with other statutory
Conclusion

Kenya set an ambitious Vision in 2008 that aims to raise the country out of poverty and turn it into a middle income nation by 2030. In Vision 2030, energy plays a key role as one of the infrastructural enablers upon which the economic, social and political pillars of the country’s development will be built. While energy is very important for Kenya’s development, the country’s reliance on hydropower as the major supply for electricity has caused frequent blackouts and power rationing linked to droughts and variations in water availability in dam reservoirs. This has left the government without any choice but to use expensive emergency generators that run on imported fuels. The Kenyan government has opted for the development of geothermal energy as a key response to overcome the country’s energy bottleneck. This option is not only environmentally friendly, but also provides additional benefits such as reducing the cost of imported fuel, and stimulating the economy through investing in clean energy. In line with the Vision 2030 document, the Ministry of Energy set a specific target that by 2030, geothermal power would account for one-quarter of Kenya’s total installed capacity – up from the current level of 10%. This target will require considerable investment that calls for private sector involvement. To tackle this challenge, the GDC was created in 2009 to cover the high cost of steam well exploration, thereby reducing the risk for potential investors. Achieving its plans for geothermal energy is critical if Kenya is to elevate its economy into middle income status and set an example for the rest of the region.

Table 25.1 Vision 2030 energy generation projection by source

<table>
<thead>
<tr>
<th>Energy source</th>
<th>Capacity (MW)</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geothermal</td>
<td>5,530</td>
<td>26</td>
</tr>
<tr>
<td>Nuclear</td>
<td>4,000</td>
<td>18</td>
</tr>
<tr>
<td>Coal</td>
<td>2,720</td>
<td>13</td>
</tr>
<tr>
<td>Gas turbines/natural gas</td>
<td>2,340</td>
<td>11</td>
</tr>
<tr>
<td>Diesel turbines</td>
<td>1,955</td>
<td>9</td>
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<tr>
<td>Import</td>
<td>2,000</td>
<td>9</td>
</tr>
<tr>
<td>Wind</td>
<td>2,036</td>
<td>9</td>
</tr>
<tr>
<td>Hydropower</td>
<td>1,039</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,620</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Kianji (2012).
Acknowledgements

Ezekiel Kemboi, Christpine Omondi Juma

References

Except where other sources are cited, information in this chapter is adapted from:


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Since the 1960s, the Republic of Korea has enjoyed rapid development. Throughout this period, water use has increased sixfold and the intensive industrialization efforts have made Korea the world’s fourth largest energy importer (IEA, 2012). In view of the swiftly growing demands for both resources, the government has taken concrete steps to develop policies to adopt an integrated approach to managing water and energy. Among those policies is the Green New Deal, introduced in 2009 with a US$38 billion investment portfolio over four years. In broad terms, it focuses on four main themes: environmental protection, energy conservation, information technology infrastructure for the future and green neighbourhoods and housing (UNESCAP, 2012). This case study on the Four Major Rivers Restoration Project (4MRRP) features one of the projects conducted under the first theme, and puts the emphasis particularly on the small hydropower plants that were put into operation in 16 weirs.

The country’s green growth strategy, which started in 2008, sets out a new vision to reduce energy dependency by diversifying energy sources. As a part of this approach, the First National Energy Master Plan (2008–2030) introduced an Act encouraging the promotion of new and renewable sources of energy. The aim was to increase the proportion of energy derived from renewable resources fivefold – from 2.2% in 2006 to 11% by 2030 (Table 26.1). Among the renewable energy sources that are being considered are hydropower, solar power, geothermal power and energy from organic sources.

Similar to energy, water resources development has always been a national priority. This necessity stems from the challenge that seasonal distribution of rainfall shows a large discrepancy (more than 70% of annual average precipitation falls in four months during the flood season between June and September) thus limiting the availability of this precious resource throughout the year (MLTM, 2011). Consequently, from the mid-1960s up to the 1980s, government policies centred on developing large infrastructure, including construction of numerous multipurpose dams to supply water and generate hydroelectricity. Now, facing the challenges caused by climate change and in a bid to reduce the country’s dependence on imported energy, additional dams and hydraulic structures are being built while existing ones are being revisited to improve their efficiency and to bring further functionality.

### Table 26.1

**Primary energy demand and supply targets for 2030 by source**

<table>
<thead>
<tr>
<th>Demand</th>
<th>Oil (%)</th>
<th>Coal (%)</th>
<th>Liquefied natural gas (%)</th>
<th>Nuclear (%)</th>
<th>Other (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>43.6</td>
<td>24.3</td>
<td>13.7</td>
<td>15.9</td>
<td>2.5</td>
</tr>
<tr>
<td>2030&lt;sup&gt;BAU&lt;/sup&gt;</td>
<td>34.2</td>
<td>24.7</td>
<td>15.8</td>
<td>19.5</td>
<td>5.9</td>
</tr>
<tr>
<td>2030&lt;sup&gt;target&lt;/sup&gt;</td>
<td>33.0</td>
<td>15.7</td>
<td>12.0</td>
<td>27.8</td>
<td>11.5</td>
</tr>
</tbody>
</table>

**Supply**

<table>
<thead>
<tr>
<th>New and renewables excluding hydropower (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
</tr>
<tr>
<td>2030&lt;sup&gt;target&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

*Note: BAU, business as usual. ‘Other’ consists of hydropower and new and renewable sources.*  
*Source: Third National Energy Committee (2008).*
The 4MRRP (Box 26.1) is a recent example of such efforts. As part of this multipurpose green growth project, 16 weirs each with a small hydropower plant were built on the Han, Nakdong, Geum and Yeongsan rivers. The total installed capacity of 50 MWh provided by the 16 hydropower plants’ 41 generators is equivalent to one-quarter that of the largest hydropower plant in Korea. Annual electricity generation is sufficient to meet the energy requirements of more than 58,000 households. The capacity replaces use of over 60,000 tonnes (450,000 barrels) of oil per year – or an emission reduction of some 180,000 tonnes of carbon dioxide. Aside from its environmental and economic benefits, the project also allows for the development of domestic green technologies. In January 2013, the small hydropower plants on the four rivers were registered as Clean Development Mechanism projects with the United Nations Framework Convention on Climate Change (UNFCCC).

**Conclusion**

Water-related disasters have become more frequent and severe in Korea as a result of global climate change. These disasters have caused fluctuations in freshwater availability and have also brought about financial losses for the country. The other side of the coin is that as the fourth largest energy importer in the world, Korea itself is contributing to climate change through greenhouse gas emissions.

### The Four Major Rivers Restoration Project

The Four Major Rivers Restoration Project (4MRRP), which is the showcase element of Korea’s Green New Deal plan, involved both improving existing waterworks and building complementary ones (see highlights below). The project was completed for the most part in December 2012. One of its main functions, flood protection, had been put to the test when Typhoon Meari caused extensive damage to the west of the country in June 2011. In spite of the heavy downpour – which brought over 200 mm of rain (about 16% of the annual average) to much of the country over six days – there was no significant flood damage.

The project also created jobs. According to the Ministry of Labour, 90,000 new positions were put in place thanks to the 4MRRP. Its economic benefits are expected to grow as investment into research and development for the project as well as into its operation and management continues.

**Highlights of the 4MRRP**

**Project period:**
October 2009–December 2012

**Project area:**
Han, Nakdong, Geum and Yeongsan rivers (see the map to the right)

**Core tasks:**
- Securing freshwater availability
- Flood protection
- Water quality improvement and restoration of river ecosystems
- Development of recreational areas and multi-purpose spaces
- Community development centred on rivers

**Major works:**
- 450 million m$^3$ sediment removed by dredging
- 16 weirs constructed
- 784 km of river banks reinforced
- Two new dams built
- Two flood retention reservoirs constructed

**Budget:**
US$19 billion
emissions. As a result, since 2008, the government has been formulating policies for green growth to reduce its carbon footprint, prepare the country to deal with the effects of climate change, and maintain its good water management practices. The Green New Deal, initiated in 2009, comes with an economic package for investment in green growth. A part of the Green New Deal, the 4MRRP aims to revitalize the Han, Nakdong, Geum and Yeongsan rivers to improve water availability and quality, control floods, restore ecosystems and promote nature-conscious development. The 16 weirs and 41 hydro-power-generating units that were built during the project constitute an important part of the 4MRRP. They are designed to store optimal amounts of water for generating energy, without interrupting the natural flow of the rivers. While the amount of electricity generated is modest, the project represents Korea’s firm commitment to reduce greenhouse gas emissions as a part of its low carbon green growth policies.

Acknowledgements
Kyung-Jin Min, Tae-sun Shin, Ji-eun Seong

References
Except where other sources are cited, information in this chapter is adapted from:


The city of Nogales in Sonora, Mexico, shares the international border to the north with the United States city of Nogales in Santa Cruz County, Arizona. From 1951, both municipalities relied on a wastewater treatment plant in neighbouring Rio Rico, Arizona, adjacent to the confluence of the Santa Cruz River and the Nogales Wash. Both countries funded the plant proportionally, on the basis of their respective flow contributions to the facility (IBWC, n.d.).

Approximately 80% of the wastewater treated at the facility came from the much larger Mexican Nogales. Cost considerations led the city in 2010 to initiate construction of the Los Alisos Wastewater Treatment Plant (WWTP) on Mexican territory – a US$20 million project that now benefits 70,000 inhabitants. The plant’s effluent is discharged into the Los Alisos stream, which flows to the south where it is utilized for irrigation and aquifer recharge.

Environmental sustainability is an important, cross-cutting public policy issue in Mexico, and solar energy has long been a recognized alternative energy option throughout the country, albeit seldom utilized. To date, solar technologies have most commonly been used in rural communities that lack access to centralized water supply and electricity services. To promote further developments in this area, however, Mexico’s Environment and Natural Resources Sector Program established guidelines on renewable energy sources. This was followed in 2008 by Mexico’s Law on the Use of Renewable Energies and Energy Transition Funding, which encouraged mainstream public policies to promote the development and use of renewable energy sources.

Drawing on the National Water Commission’s (CONAGUA) experience with renewable energies, a solar panel farm was incorporated into the Los Alisos WWTP project, offering financial and environmental benefits. Design of the photovoltaic segment began in May 2011 with a detailed study of various configuration alternatives. The selected project covers an area of 15,000 m², in which 3,920 solar panels will generate 1,500,000 kWh/year. Although the electricity output of solar panel farm will vary throughout the year depending on solar radiation intensity (Figure 27.1), the annual average energy

![Average energy budget of Los Alisos Wastewater Treatment Plant upon completion of the solar panel farm](image)

Note: Negative values denote that solar energy generation is not sufficient for the operation of the Wastewater Treatment Plant (WWTP). The difference is obtained from the national power grid. Positive values signify that the solar panels generate more energy than required by the WWTP. The excess amount is fed into the national grid.
generation will be approximately equal to that required to power the WWTP. A permanent connection to the national power grid (managed by the Federal Electricity Commission of Mexico) will serve a dual purpose: feeding energy into the plant to ensure that Los Alisos functions 24 hours a day throughout the year (including night time, cloudy periods and winter months) and feeding excess energy generated in the summer months back into the national grid.

The Los Alisos WWTP is already operational; however, construction of the solar panel farm began in November 2012 and is expected to be completed by early 2014, at an estimated cost of US$5 million. Currently, no comparable projects have been initiated in Mexico or elsewhere in Latin America.

Conclusion
The Los Alisos WWTP in Mexico demonstrates a practical implementation of the use of solar energy. Due to ongoing construction of the solar panel farm, the plant is currently running on electricity from Mexico's national power grid, but it will be practically energy self-sufficient on completion of its photovoltaic segment. Serving over 70,000 habitats by cleaning and reclaiming approximately 6.5 million m³ wastewater per year, the Los Alisos WWTP is the first of its kind in Latin America. This innovative project and the development of similar WWTPs in the future will help communities to become more sustainable.

Acknowledgement
The National Water Commission of Mexico (CONAGUA)

References
Except where other sources are cited, information in this chapter is adapted from:


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Austin, home of the state government, is situated near the centre of energy-rich and water-stressed Texas. It has been among the fastest growing major cities in the United States of America (USA) for much of the past decade, with an estimated population in 2011 of 820,000 – which represents growth of more than 80% since 1990 (Toohey, 2012). This rapid growth continues to put pressure on the public electricity and water suppliers, Austin Energy and Austin Water, to provide reliable services while also promoting environmental sustainability and fiscal responsibility. Communication and cooperation between these two entities, while also enabling public engagement, helps to drive innovation in the fields of energy and water conservation.

Historically, Austin has relied on the Colorado River, which runs through the state, as its sole water source. A new, reclaimed water programme is now providing around 2% of supply. The city has pre-purchased rights to divert 360 million m$^3$ water per year from the Colorado River for municipal use. A new treatment plant is under construction and is expected to be in operation in 2014. This will add 200,000 m$^3$ capacity to the water supply system each day. Austin Water serves 200,000 connections over an area of approximately 1,400 km$^2$.

Austin Energy is the eighth-largest public electricity utility in the USA, with a diverse generation capacity of over 3,100 MW (Table 28.1). The utility serves more than 400,000 customers, approximately 90% of whom are residential users.

Austin Water is Austin Energy’s fifth-largest consumer, using 210,000 MWh electricity to pump and treat 300 million m$^3$ water, including 100 million m$^3$ wastewater (Austin Energy, n.d.).

Energy and water conservation initiatives have their origins in both city policy and citizen-led efforts. For example, housed within Austin Energy, the Green Building programme has guided resource use efficiency in Austin since 1990. A citizen driven effort to stop a large development being built over a local aquifer the same year catalysed the adoption of the city’s Save Our Springs ordinance in 1992 – an initiative that has shaped development patterns while also ensuring sustainable use of water resources and protecting their quality.

To optimize water and energy use while keeping costs down, both supply-side and demand-side measures are taken at the city level. For example, Austin Water and Austin Energy constantly measure critical parameters such as the amount of energy used in providing water services, water use in thermoelectricity generation and the average water use in water and energy services. Ongoing efforts in place since the 1980s conserve water and electricity. They have brought about a reduction in demand (Box 28.1) and this has allowed both Austin Energy and Austin Water to postpone building major new facilities. In fact, Austin Energy has invested in demand-side conservation of 700 MW with an additional 800 MW peak-day demand target by 2020. Over the same period, comprehensive water conservation efforts, including a tiered rate structure and weekly watering schedules for landscaped areas, have helped to reduce peak seasonal demand and keep daily residential water consumption levels below 400 litres per person on average. The city’s free distribution of high-efficiency kitchen and bathroom aerators and showerheads, along with rebates to eligible groups buying high-efficiency dishwashers, washing machines, auxiliary water and irrigation system upgrades,

<table>
<thead>
<tr>
<th>Type</th>
<th>Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>600</td>
</tr>
<tr>
<td>Nuclear</td>
<td>400</td>
</tr>
<tr>
<td>Gas</td>
<td>1,544</td>
</tr>
<tr>
<td>Biomass</td>
<td>12</td>
</tr>
<tr>
<td>Wind</td>
<td>560</td>
</tr>
<tr>
<td>Solar</td>
<td>31</td>
</tr>
</tbody>
</table>
has added further energy savings by reducing customers’ end-use energy for heating and on-site pumping (ACEEE, n.d.).

The two utilities also collaborate in generating renewable energy and reducing greenhouse gas emissions: an innovative thin-film rooftop solar panel system has offset the energy demand of the Austin Water service centre (approximately 7,000 m²) since late 2010. Likewise, a cogeneration system that uses biogas generated at the city’s Hornsby Bend wastewater sludge treatment plant meets that facility’s entire energy requirements for electricity and heat. It also has the additional real potential – which is still being investigated – to provide compressed natural gas for its own equipment and transport demands, which would result in an essentially net-zero-energy facility. To further reduce its carbon emissions, Austin Water switched in 2011 to Austin Energy’s 100% wind energy programme, Green Choice. This allowed an 85% reduction in the water utility’s greenhouse gas emissions. The remaining 15% is related to transport and direct emissions of methane and nitrous oxide from the treatment processes. As a part of its environmentally conscious service policy, Austin Water reduces its energy requirement during times of peak electricity demand in order to reduce grid loads.

Finally, Austin Water and Austin Energy are both participants in the Pecan Street Project, an integrated smart-grid demonstration and research effort based in Austin and run in partnership with the University of Texas at Austin and other key stakeholders in energy, water and sustainability (Pecan Street Research Institute, 2010). In a study being conducted over a five-year period, project participants are testing how smart metering of the consumption of electricity, water and gas, in concert with interventions like smart appliances, management systems and pricing models, can change the way households use utility services – and may change the way utilities engage with each other and with their customers.

**Conclusion**

The Austin, Texas case study illustrates how a fast-growing major US city with publicly owned water and electricity utilities can craft integrative and strategic programmes and policies that help to meet the needs of the public while also helping each sector. Initiatives promoting the efficient use of water and electricity over the past two decades have allowed utilities to postpone major supply expansion efforts; although with the city’s continued growth, both water and electricity utilities are expanding their supply capacity while carrying on with their demand reduction and management efforts. Several recent and ongoing projects highlight the cooperation between the two utilities and the opportunities for synergies across sectors. Austin Water’s reclaimed water programme reduces overall surface water withdrawals and provides water at a low cost to energy generation facilities operated by Austin Energy and the University of Texas. Austin Water has tracked its energy use both spatially and temporally in order to come to a better understanding of the energy embedded in its services and to identify opportunities in emerging energy markets. Austin Energy reports on the energy savings associated

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**28.1 Water and energy conservation efforts in Austin**

Since 2006, reclaimed water has been pumped to Austin Energy’s Sand Hill Energy Center from the nearby South Austin Regional wastewater treatment plant. Once on site, the water is further processed to be used as coolant for the combined-cycle power generation unit. Austin Energy completed a pilot study in January 2013 to test the feasibility of using reclaimed water for other systems that currently require tap water. The results were favourable, and by 2015, the percentage of reclaimed water being used is expected to increase. In addition to consuming less water, the subsidized rate of the reclaimed water, which is approximately 10% of the cost of tap water, will save the Sand Hill Energy Center money (Jake Spelman, Austin Energy, personal communication). And because Sand Hill is located next to the South Austin Regional wastewater treatment plant, Austin Water estimates the energy needed to transport the reclaimed water is around 40% less than the energy needed to provide potable water from more distant facilities.

Another notable example of water and energy working together is at the University of Texas flagship campus in Austin, which operates its own 140 MW power plant. The campus was connected to Austin Water’s reclaimed water programme in April 2013, which allowed it to use reclaimed water for irrigation on the campus, to cool its power plant and to provide air conditioning to the campus through a chilled water infrastructure.
with reduced water consumption. Both utility companies are participating in smart grid demonstration efforts such as the Pecan Street Project, which will provide residential customers with consumption information and management technologies for better and sustainable use of valuable water and energy resources.

**Acknowledgements**
David Greene, Jake Spelman, Jill Kjelsson

**References**
Except where other sources are cited, information in this chapter is adapted from:

Turkey is an emerging market country, and the world’s seventeenth largest economy (MFA, 2013). As part of its process of rapid growth and industrialization, Turkey’s energy demand is forecast to grow by 6% to 8% annually by 2020, requiring an additional 50,000 MW to be added to the national grid (Lally, 2011).

However, the country is energy poor, and the vast majority of domestic demand is met by importing fossil fuel. This imposes a significant burden on the economy. The national energy bill in 2012 was US$60 billion, which was an 11% increase on 2011 (Hürriyet, 2013). Because this trend seems certain to continue, the diversification of Turkey’s energy supply is critical. In contrast to its limited oil and gas reserves, Turkey has a range of renewable energy resources, including access to wind power, hydropower, solar power, geothermal energy and biomass. Notably, Turkey is ranked as the seventh most promising country in the world in terms of geothermal energy potential (GEA, 2012). With proper planning and sufficient investment, its rich geothermal resources can help to lessen its dependence on external sources of energy (Box 29.1). The advantage of geothermal energy is that it is clean and releases negligible amounts of greenhouse gas – if any at all – into the atmosphere. Its use in homes and in commercial operations has shown that it can account for savings as high as 80% when compared with using fossil fuels (US DOE, 2013).

Turkey’s first ventures into geothermal research were initiated by the national institutions in the 1960s. While a thorough exploration and evaluation is yet to be completed, over 200 low to medium enthalpy geothermal fields have been discovered in various locations. These fields contain fluid and steam at temperatures lower than 200°C, which makes them suitable for direct use applications such as district heating, space heating, balneology, aquaculture and greenhouse heating. Of these, district heating is one of the main applications of geothermal energy in Turkey. The first of these systems was set up in 1983. Then, between 1991 and 2006, 19 additional district heating systems were installed (Serpen et al., 2010). The biggest one in İzmir-Başkova has equivalent heating capacity for 35,000 residences.

In view of the growing demand for electricity, the Turkish government introduced Law 5346 and Law 5686. Law 5346, the Renewable Energy Law, entered into force in 2005 and deals with the use of renewable energy resources for the purpose of electrical power generation. It sets a fixed feed-in tariff for various energy resources, and gives incentives for renewables. It also encourages the local governorships and municipalities to benefit from the geothermal resources within their jurisdictions by building and operating geothermal district heating systems. The Amending Law 6094 came into effect in 2011 to introduce further incentives to encourage investments.

**The importance of geothermal energy in Turkey**

Almost 80% of Turkey’s energy consumption is met by imports. The extent of this reliance – particularly on natural gas – threatens the essentials of the country’s sustainable development model seriously. Added to this, Turkey’s continued dependence on fossil fuels will contribute to global warming and to rapid worsening of the environment and air quality in the country. In this context, geothermal energy has a major contribution to make to Turkey’s energy diversification strategy. If it were to use its geothermal potential fully, Turkey would be capable of meeting 5% of its electricity needs and 30% of its heat requirements from geothermal sources – which corresponds to 14% of its total energy needs. Generally speaking, the cost of producing geothermal power is higher than that of classic fuels (US EIA, 2013). However, cost comparisons are highly subject to fluctuation, and the ongoing efforts for advances in geothermal power production technologies may make this cost relationship more favourable for geothermal energy (Erdoğdu, 2009).
Law 5686, known as the Geothermal Law, was passed in 2007. It deals with geothermal resources and natural mineral waters. Among the purposes of this Law are to set rules and principles for the search for and exploration, development and production of geothermal resources. It also sets rules for the protection of these resources, including regulations that govern how to make economic use of them in compliance with environment protection guidelines, and sets out how they should be reclaimed after use.

As a result of these laws, Turkey’s capacity for geothermal electricity production has increased by more than 100% since 2009 (Figure 29.1). Most of this growth has been realized by the private sector. The installed capacity is expected to reach 750 MWe by the end of 2018 (Table 29.1). Concerning other uses of geothermal energy, at the end of 2012, Turkey had an installed capacity of 2,705 MWt for direct use applications – a 30% increase on 2010 values. Overall, geothermal district heating projects have been put into use in 16 cities and are expected to grow fivefold in capacity between 2014 and 2018. While reaching the 2018 targets (Table 29.1) requires an investment of approximately US$5 billion, the economic value to be generated is estimated to be around US$32 billion per year. It is also expected to create employment for 300,000 people.

The use of geothermal energy has proved to be environmentally friendly and economically competitive when compared with fossil fuel alternatives. For example, in Turkey, geothermal heating typically costs 60% less than its natural gas equivalent. Overall, the country’s current installed capacity of geothermal energy allows an annual saving of approximately US$1 billion, which would otherwise have to be spent on importing natural gas.

**Conclusion**

In 2012, Turkey spent US$60 billion on gas and oil imports to meet the energy demands of its swiftly growing economy. This bill will continue to rise in parallel with increasing energy use in the country and the price of fuel on the international markets. Given its considerable potential to generate energy from wind, hydropower, solar power, geothermal resources and biomass, renewable energy constitutes a plausible alternative to fossil fuels. Among these, geothermal energy deserves special attention as Turkey is ranked the seventh most promising country in the world in terms of its rich potential. As a result of the legal framework set by Law 5346, Law 5686 and Law 6094, the private sector has been actively involved in developing geothermal fields to generate electricity and for direct-use applications such as district heating, greenhouse heating and in thermal

---

**Figure 29.1 Trend in geothermal electricity production**

Source: Mertoğlu and Başaran (2013).

**Table 29.1 Use of geothermal resources in Turkey, and projections for 2018**

<table>
<thead>
<tr>
<th>Type of utilization</th>
<th>Installed capacity (2012)</th>
<th>2018 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geothermal district heating</td>
<td>89 443 residences equivalence (805 MWt)</td>
<td>500 000 residences equivalence (4 000 MWt)</td>
</tr>
<tr>
<td>Greenhouse heating</td>
<td>2 832 000 m² (612 MWt)</td>
<td>6 000 000 m² (2 040 MWt)</td>
</tr>
<tr>
<td>Balneological use</td>
<td>350 thermal facilities equivalence (870 MWt) (16 million visitors annually)</td>
<td>400 thermal facilities equivalence (1 100 MWt)</td>
</tr>
<tr>
<td>Electricity generation</td>
<td>168 MWe</td>
<td>750 MWe</td>
</tr>
</tbody>
</table>

Note: 1 residence equivalent = 100 m². Source: TMD (2013).
and balneological facilities. While tapping the remaining potential and reaching targets set for 2018 will require an investment of US$5 billion, the constant rise of oil and gas prices is likely to make the investment feasible. In the Turkish context, geothermal energy has proved to be cleaner and much cheaper than fossil fuels. Nevertheless, a number of challenges need to be dealt with to ensure the development and widespread use of this renewable energy source. These include investigating geothermal resources thoroughly, making incentives in district heating more attractive to the private sector and promoting the transfer of expertise.

Acknowledgements
Nilgün Başarır

References
Except where other sources are cited, information in this chapter is adapted from:


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Data and indicators annex

Compiled by WWAP | Engin Koncagül and Sisira Saddhamangala Withanachchi

1

Demographic projections

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>Population growth rate (%)</th>
<th>Population projection (million)</th>
<th>Urban population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>2.36</td>
<td>2.24</td>
<td>2.15</td>
</tr>
<tr>
<td>Asia</td>
<td>0.88</td>
<td>0.72</td>
<td>0.57</td>
</tr>
<tr>
<td>Europe</td>
<td>0.01</td>
<td>-0.07</td>
<td>-0.13</td>
</tr>
<tr>
<td>LAC</td>
<td>0.98</td>
<td>0.86</td>
<td>0.73</td>
</tr>
<tr>
<td>North America</td>
<td>0.79</td>
<td>0.74</td>
<td>0.68</td>
</tr>
<tr>
<td>Oceania</td>
<td>1.33</td>
<td>1.23</td>
<td>1.12</td>
</tr>
<tr>
<td>World</td>
<td>1.04</td>
<td>0.93</td>
<td>0.83</td>
</tr>
</tbody>
</table>

Note: LAC, Latin America and the Caribbean.
Source: UNDESA (2013, see specifically http://esa.un.org/wpp/unpp/panel_indicators.htm); for population projection (medium variant) from UNDESA (2013, see specifically http://esa.un.org/wpp/unpp/panel_population.htm) and for urban population (percentage of population residing in urban areas), UNDESA (2012, see specifically http://esa.un.org/unup/CD-ROM/WUP2011-F02-Proportion_Urban.xls).


2

Urban and rural populations by development group (1950–2050)

Source: UNDESA (2012, fig. 1, p. 3).

Note: The map shows m³ per capita per year.  
Source: WWAP, with data from FAO AQUASTAT database (aggregate data for all countries except Andorra and Serbia, external data) (website accessed Oct 2013), and using UN-Water category thresholds.

### Total actual renewable water resources per capita: Trends and projections

<table>
<thead>
<tr>
<th>Region</th>
<th>2000</th>
<th>2010</th>
<th>2030</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>World</strong></td>
<td>6 936</td>
<td>6 148</td>
<td>5 095</td>
<td>4 556</td>
</tr>
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Source: WWAP, with data from FAO AQUASTAT database (for water resources) (website accessed Dec 2013) and UNDESA (2011) (for population).

Annual average monthly blue water scarcity in the world’s major river basins (1996–2005)

Note: Annual average monthly blue water scarcity in the world’s major river basins is calculated by equally weighting the twelve monthly blue water scarcity values per basin.
Source: Hoekstra et al. (2012, fig. 7, p. 23).


Water withdrawal by sector (around 2006)

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<th>Total water withdrawal per inhabitant</th>
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Note: * Includes use of desalinated water, direct use of treated municipal wastewater and direct use of agricultural drainage water.
IRWR, internal renewable water resources.
Source: WWAP, with data from FAO AQUASTAT database (accessed Dec 2013).
Note: BRIICS, Brazil, Russia, India, Indonesia, China, South Africa; OECD, Organisation for Economic Co-operation and Development; ROW, rest of the world. This graph only measures ‘blue water’ demand and does not consider rainfed agriculture.
Source: OECD (2012, fig. 5.4, p. 217, output from IMAGE). OECD Environmental Outlook to 2050 © OECD.
### Population using solid fuel for cooking and without access to electricity, improved water and sanitation in a selection of countries

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Note: * The reference year for the data is given in parentheses. ** Excludes coal.

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## Access to improved drinking water (1990–2011)

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<th>Rural (%)</th>
<th>Total Improved (%)</th>
<th>Piped on premises (%)</th>
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Note: * Millennium Development Goal (MDG) regions.
Source: WWAP, with data from WHO/UNICEF (2013a, b).


http://www.wssinfo.org/data-estimates/table/
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World total primary energy supply by source

(a) 1973

- Coal and peat: 24.6%
- Oil: 46.0%
- Biofuels and waste: 10.6%
- Nuclear: 0.9%
- Other: 0.1%

(b) 2011

- Coal and peat: 28.8%
- Oil: 31.5%
- Biofuels and waste: 10.0%
- Nuclear: 5.1%
- Other: 1.0%

World primary energy demand: Trends and projections

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<th>450 Scenario</th>
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<td>Other renewables</td>
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<td>Fossil fuel share in TPED</td>
<td>80%</td>
<td>81%</td>
<td>79%</td>
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Note: All values are in Mtoe unless otherwise noted. * Includes traditional and modern biomass uses. TPED, total primary energy demand.
Source: Adapted from IEA (2012, table 2.1, p. 51).

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Note: All figures are in TWh. –, data not available.
Source: WWAP, with data from IEA (2013).

Trends in world electricity generation by energy source

(a) 1971–2011
(b) 1973: 6 115 TWh total
(c) 2011: 22 126 TWh total

Note: Excludes pumped storage. * ‘Other’ includes geothermal, solar, wind, biofuels and waste, and heat. PV, solar photovoltaic.


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Source: WWAP, with data from IEA (2013).


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**Share of people without electricity access in developing countries (2011)**

Note: Data are given as a percentage of the population.

Global electricity access rate: Trends and projections

Source: Cosgrove-Davies (2006).


Energy consumption per capita (2010)

Note: BTU, British Thermal Unit. One million BTU approximately equals the energy derived from 30 litres of petrol.
Trends in electricity consumption per capita (2000–2011)

Source: WWAP, with data from IEA (2013).

Use of dams by purpose

(a) Single purpose dams
(b) Multi purpose dams
Source: WWAP, with data from ICOLD (n.d.).
Total dam capacity per capita by region (around 2010)

Africa

Asia

America and Oceania

Europe

Source: WWAP, with data from FAO AQUASTAT database (accessed Dec 2013).
Hydropower: Technical potential and installed capacity by region (2009)

Source: Kumar et al. (2011, fig. 5.2, p. 445, based on source cited therein). © IPCC.

Trends in hydropower production in selected regions and countries

(a) 1999–2010 trends in hydropower production in selected regions and countries (b) 1973: 1,294 TWh total (c) 2011: 3,566 TWh total

Note: Values for (b) and (c) include pumped storage. *Excludes China.

Source: WWAP, with data for (a) from IEA (2013a) and for (b, c) from IEA (2013b, p. 18, bottom panel). Key World Energy Statistics 2013 © OECD/IEA.


(a) Regional shares 1999–2010
(b) Regional shares 1973: 1,294 TWh total
(c) Regional shares 2011: 3,566 TWh total


Global water use for energy production by scenario

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Source: WWAP, with data from IEA (2012).


Energy requirement to deliver 1 m³ water safe for human consumption from various water sources

- Lake or river: 0.37 kWh/m³
- Groundwater: 0.48 kWh/m³
- Wastewater treatment: 0.62–0.87 kWh/m³
- Wastewater reuse: 1.0–2.5 kWh/m³
- Seawater: 2.58–8.5 kWh/m³

Note: This diagram does not incorporate critical elements such as the distance the water is transported or the level of efficiency, which vary greatly from site to site.


Indicative energy use of municipal water and wastewater services

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<td>Raw water extraction</td>
<td>Pumping</td>
<td>Surface water: 10% Groundwater: 30%</td>
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<td>Treatment</td>
<td>Mixing</td>
<td>Surface water: 10% Groundwater: 1%</td>
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<td>Pumping (for backwash etc.)</td>
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<td>Water sludge processing and disposal</td>
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<td>Clean water transmission and distribution</td>
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### Energy requirements and cost implications of desalination by technology

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<td>Typical total energy use (kWh/m³)</td>
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<tr>
<td>Capital cost per unit of capacity</td>
<td>USD 800–1,500/m³/day</td>
<td>Large variations depending on local labour cost, interest rates and technology</td>
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<tr>
<td>Freshwater production cost</td>
<td>USD 1–2/m³ (USD 0.5/m³ for large plants); largely dependent on energy cost and plant location</td>
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Note: Desalination requires a considerable amount of energy. The table shows key typical energy data for different desalination technologies. Taking into account the average energy demand of desalination processes, the global desalination capacity (i.e. 65.2 million m³/day) requires the use of approximately 206 million kWh/day, equivalent to 75.2 TWh/year.

Source: Adapted from IEA-ETSAP and IRENA (2012, table 5, p. 21).


### Global cumulative contracted versus commissioned daily desalination capacity (2013)

![Graph showing global cumulative contracted and commissioned desalination capacity from 1965 to 2010](chart1.png)

- Global cumulative contracted capacity, 2013: 85.9 million m³/day
- Global cumulative commissioned capacity, 2013: 80.9 million m³/day

Source: Global Water Intelligence/Desaldata.

### Power consumption trends in seawater reverse osmosis desalination (1985–2009)

![Graph showing power consumption per unit volume (kWh/m³) from 1985 to 2010](chart2.png)

Source: Global Water Intelligence/Desaldata.
Water footprint of energy generation by fuel

Note: * The minimum is for primary recovery; the maximum is for secondary recovery. ** The minimum is for in-situ production, the maximum is for surface mining. *** Includes carbon dioxide injection, steam injection and alkaline injection and in-situ combustion. **** Excludes water use for crop residues allocated to food production.

Ranges shown are for ‘source-to-carrier’ primary energy production, which includes withdrawals and consumption for extraction, processing and transport. Water use for biofuels production varies considerably because of differences in irrigation needs among regions and crops; the minimum for each crop represents non-irrigated crops whose only water requirements are for processing into fuels. EOR, enhanced oil recovery.

For numeric ranges, see http://www.worldenergyoutlook.org.


World Energy Outlook 2012 © OECD/IEA.


Water use for electricity generation by cooling technology

Note: * Includes trough, tower and Fresnel technologies using tower, dry and hybrid cooling, and Stirling technology. ** Includes binary, flash and enhanced geothermal system technologies using tower, dry and hybrid cooling.

Ranges shown are for the operational phase of electricity generation, which includes cleaning, cooling and other process related needs; water used for the production of input fuels is excluded. Fossil steam includes coal-, gas- and oil-fired power plants operating on a steam cycle. Reported data from power plant operations are used for fossil-steam once-through cooling; other ranges are based on estimates summarized in the sources cited. Solar PV, solar photovoltaic; CSP, concentrating solar power; CCGT, combined-cycle gas turbine; IGCC, integrated gasification combined-cycle; CCS, carbon capture and storage. For numeric ranges, see http://www.worldenergyoutlook.org.

Source: IEA (2012, fig. 17.4, p. 510, from sources cited therein).

World Energy Outlook 2012 © OECD/IEA.


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### Annual growth: Absolute numbers

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Source: WWAP, with data from ISO (2012).


http://www.iso.org/iso/home/standards/certification/iso-survey.htm#
### Annual Growth: Absolute Numbers

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### Regional Share

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## ISO 50001 certification on energy management

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<tr>
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<td>9</td>
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<tr>
<td>Poland</td>
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<td>10</td>
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<tr>
<td>Portugal</td>
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<td>3</td>
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<td>Romania</td>
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<td>54</td>
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<td>Russian Federation</td>
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<td>8</td>
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<tr>
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<tr>
<td>Slovenia</td>
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<td>Spain</td>
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<td>72</td>
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<tr>
<td>Switzerland</td>
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<td>14</td>
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<tr>
<td>The Former Yugoslav Republic of Macedonia</td>
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<td>2</td>
</tr>
<tr>
<td>Turkey</td>
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<td>1</td>
</tr>
<tr>
<td>Ukraine</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>11</td>
<td>24</td>
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### Middle East

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>Iran, Islamic Republic</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Israel</td>
<td>4</td>
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<tr>
<td>United Arab Emirates</td>
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### Central and South Asia

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>26</td>
<td>47</td>
</tr>
<tr>
<td>India</td>
<td>25</td>
<td>45</td>
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<tr>
<td>Kazakhstan</td>
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<td>1</td>
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<tr>
<td>Sri Lanka</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: WWAP, with data from ISO (2012).
http://www.iso.org/iso/home/standards/certification/iso-survey.htm#

- **Geothermal electricity output (GWh)**

  - 2000: 20,000
  - 2001: 25,000
  - 2002: 30,000
  - 2003: 35,000
  - 2004: 40,000
  - 2005: 45,000
  - 2006: 50,000
  - 2007: 55,000
  - 2008: 60,000
  - 2009: 65,000
  - 2010: 70,000
  - 2011: 75,000

  **World**
  - Africa
  - Asia (excluding China)
  - OECD Total
  - Indonesia
  - Mexico
  - New Zealand
  - Philippines
  - United States of America

**Source:** WWAP, with data from IEA (2013).


**Worldwide installed capacity for geothermal electricity generation (2010)**

- **Worldwide total:** 10.9 GW.

**Note:** Worldwide total: 10.9 GW.

**Source:** Bertani (2012, fig. 2, p. 3).

**Indicative yields and water requirements for some major biofuel crops**

<table>
<thead>
<tr>
<th>Crop</th>
<th>Fuel product</th>
<th>Annual obtainable yield (L/ha)</th>
<th>Energy yield (GJ/ha)</th>
<th>Potential crop evapotranspiration (in mm, indicative)</th>
<th>Evapo-transpiration (L/L fuel)</th>
<th>Irrigated or rainfed production</th>
<th>Rainfed conditions</th>
<th>Water resource implications under irrigated conditions (assuming an irrigation efficiency of 50%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Actual rainfed crop evapotranspiration (in mm, indicative)</td>
</tr>
<tr>
<td>Sugar-cane</td>
<td>Ethanol (from sugar)</td>
<td>6 000</td>
<td>120</td>
<td>1 400</td>
<td>2 000</td>
<td>Irrigated/ rainfed</td>
<td>1 100</td>
<td>600</td>
</tr>
<tr>
<td>Sugar beet</td>
<td>Ethanol (from sugar)</td>
<td>7 000</td>
<td>140</td>
<td>650</td>
<td>786</td>
<td>Irrigated/ rainfed</td>
<td>450</td>
<td>400</td>
</tr>
<tr>
<td>Cassava</td>
<td>Ethanol (from starch)</td>
<td>4 000</td>
<td>80</td>
<td>1 000</td>
<td>2 250</td>
<td>Rainfed</td>
<td>900</td>
<td>–</td>
</tr>
<tr>
<td>Maize</td>
<td>Ethanol (from starch)</td>
<td>3 500</td>
<td>70</td>
<td>550</td>
<td>1 360</td>
<td>Irrigated/ rainfed</td>
<td>400</td>
<td>300</td>
</tr>
<tr>
<td>Winter wheat</td>
<td>Ethanol (from starch)</td>
<td>2 000</td>
<td>40</td>
<td>300</td>
<td>1 500</td>
<td>Rainfed</td>
<td>300</td>
<td>–</td>
</tr>
<tr>
<td>Palm oil</td>
<td>Bio-diesel</td>
<td>6 000</td>
<td>193</td>
<td>1 500</td>
<td>2 360</td>
<td>Rainfed</td>
<td>1 300</td>
<td>–</td>
</tr>
<tr>
<td>Rapeseed/mustard</td>
<td>Bio-diesel</td>
<td>1 200</td>
<td>42</td>
<td>500</td>
<td>3 330</td>
<td>Rainfed</td>
<td>400</td>
<td>–</td>
</tr>
<tr>
<td>Soybean</td>
<td>Bio-diesel</td>
<td>450</td>
<td>14</td>
<td>500</td>
<td>10 000</td>
<td>Rainfed</td>
<td>400</td>
<td>–</td>
</tr>
</tbody>
</table>

Note: 1 GJ/h = 277.8 kW


The importance of water for energy

<table>
<thead>
<tr>
<th>HDI Level</th>
<th>Very high HDI</th>
<th>High HDI</th>
<th>Medium HDI</th>
<th>Low HDI</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not a problem</td>
<td>7%</td>
<td>12%</td>
<td>20%</td>
<td>22%</td>
<td>16%</td>
</tr>
<tr>
<td>Low</td>
<td>7%</td>
<td>9%</td>
<td>14%</td>
<td>33%</td>
<td>22%</td>
</tr>
<tr>
<td>Medium</td>
<td>9%</td>
<td>14%</td>
<td>38%</td>
<td>42%</td>
<td>35%</td>
</tr>
<tr>
<td>High</td>
<td>15%</td>
<td>29%</td>
<td>36%</td>
<td>42%</td>
<td>36%</td>
</tr>
<tr>
<td>Highest</td>
<td>25%</td>
<td>35%</td>
<td>39%</td>
<td>29%</td>
<td>20%</td>
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</tbody>
</table>

Note: The indicator shows the current status in responding countries by Human Development Index (HDI) groups. Source: UNEP (2012, fig. 8.9, p. 65).


Perceived change over the past 20 years in the importance of water for energy

<table>
<thead>
<tr>
<th>HDI Level</th>
<th>Very high HDI</th>
<th>High HDI</th>
<th>Medium HDI</th>
<th>Low HDI</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant decrease</td>
<td>23%</td>
<td>29%</td>
<td>29%</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Slight decrease</td>
<td>29%</td>
<td>32%</td>
<td>36%</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>Unchanged</td>
<td>35%</td>
<td>35%</td>
<td>36%</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>Slight increase</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
</tr>
<tr>
<td>Significant increase</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Note: The indicator shows current status in responding countries by Human Development Index (HDI) groups. Source: UNEP (2012, fig. 8.10, p. 65).

### National energy policy/strategy/plan with water resources management component

<table>
<thead>
<tr>
<th>HDI Level</th>
<th>Not relevant</th>
<th>Under development</th>
<th>Implementation started</th>
<th>Implementation advanced</th>
<th>Developed, not implemented</th>
<th>Fully implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low HDI</td>
<td>16%</td>
<td>35%</td>
<td>10%</td>
<td>29%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Medium HDI</td>
<td>6%</td>
<td>45%</td>
<td>10%</td>
<td>23%</td>
<td>16%</td>
<td>3%</td>
</tr>
<tr>
<td>High HDI</td>
<td>6%</td>
<td>18%</td>
<td>30%</td>
<td>18%</td>
<td>24%</td>
<td>5%</td>
</tr>
<tr>
<td>Very high HDI</td>
<td>13%</td>
<td>13%</td>
<td>10%</td>
<td>29%</td>
<td>23%</td>
<td>3%</td>
</tr>
<tr>
<td>Global</td>
<td>10%</td>
<td>28%</td>
<td>15%</td>
<td>21%</td>
<td>19%</td>
<td>7%</td>
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</tbody>
</table>

Note: The indicator shows the current status in responding countries by Human Development Index (HDI) groups. Source: UNEP (2012, fig. 8.11, p. 65).


### Infrastructure development and mobilizing financing for energy/hydropower

<table>
<thead>
<tr>
<th>HDI Level</th>
<th>Under development</th>
<th>Developed, not implemented</th>
<th>Implementation started</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low HDI</td>
<td>7%</td>
<td>40%</td>
<td>13%</td>
</tr>
<tr>
<td>Medium HDI</td>
<td>10%</td>
<td>53%</td>
<td>10%</td>
</tr>
<tr>
<td>High HDI</td>
<td>10%</td>
<td>54%</td>
<td>14%</td>
</tr>
<tr>
<td>Very high HDI</td>
<td>4%</td>
<td>50%</td>
<td>14%</td>
</tr>
<tr>
<td>Global</td>
<td>8%</td>
<td>39%</td>
<td>20%</td>
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</table>

Note: The indicator shows the current status in responding countries by Human Development Index (HDI) groups. Source: UNEP (2012, fig. 8.12, p. 65).

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The United Nations World Water Assessment Programme (WWAP) is hosted and led by UNESCO and brings together the work of 31 UN-Water Members as well as 34 Partners in the United Nations World Water Development Report (WWDR) series.

The WWDR 2014 marks the transition of the series to an annual publication cycle with a theme for each year – ‘Water and Energy’ for 2014. This edition of the Report seeks to inform decision-makers within and beyond the water–energy nexus about the interconnections and interdependencies between water and energy; the inevitable trade-offs experienced when providing water and energy for basic human needs and to support sustainable development; and the need for appropriate responses that account for both water and energy priorities, particularly in the context of post-2015 targets on increasing access to water and energy. It provides a detailed overview of major and emerging trends from around the world, with examples of how some of these have been addressed and the implications for policy-makers, and actions that can be taken by various stakeholders and the international community.

Like the earlier editions, the WWDR 2014 contains country-level case studies describing the progress made in meeting water- and energy-related objectives. This edition also presents a Data and Indicators Annex of 41 indicators, which benchmark actual conditions and highlight trends related to water and energy around the world.