

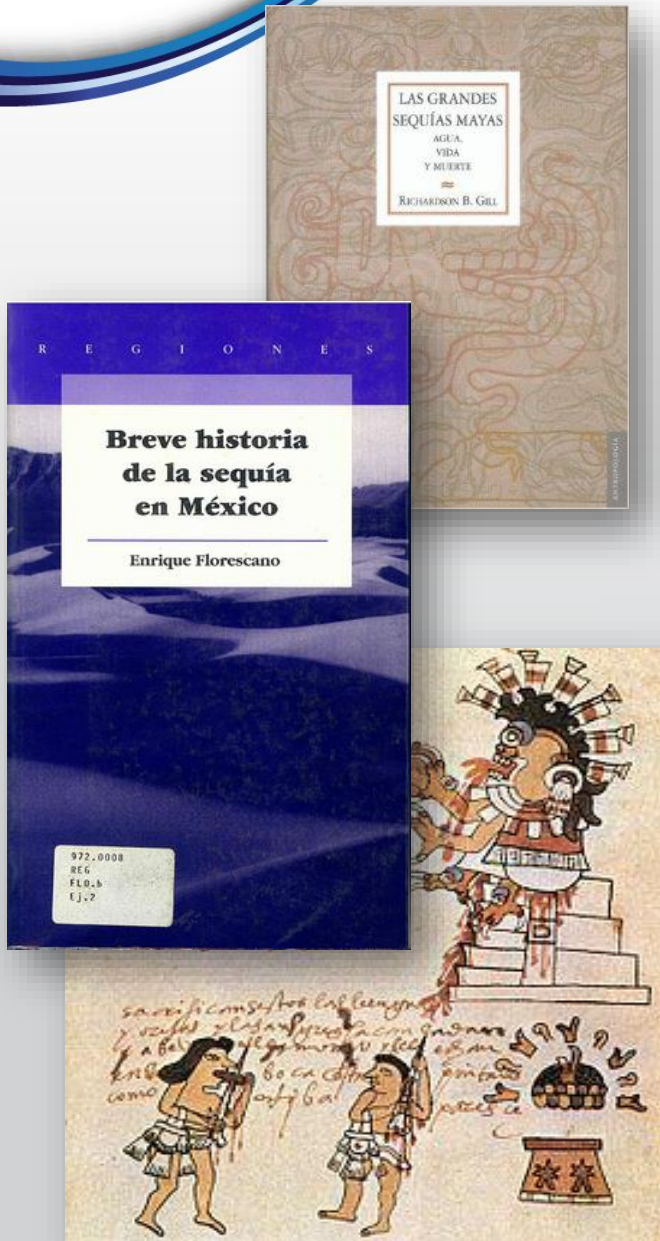
Changing minds on drought management – the economic case

Drought policy change: The Mexican case

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Stockholm, Sweden August 28, 2018

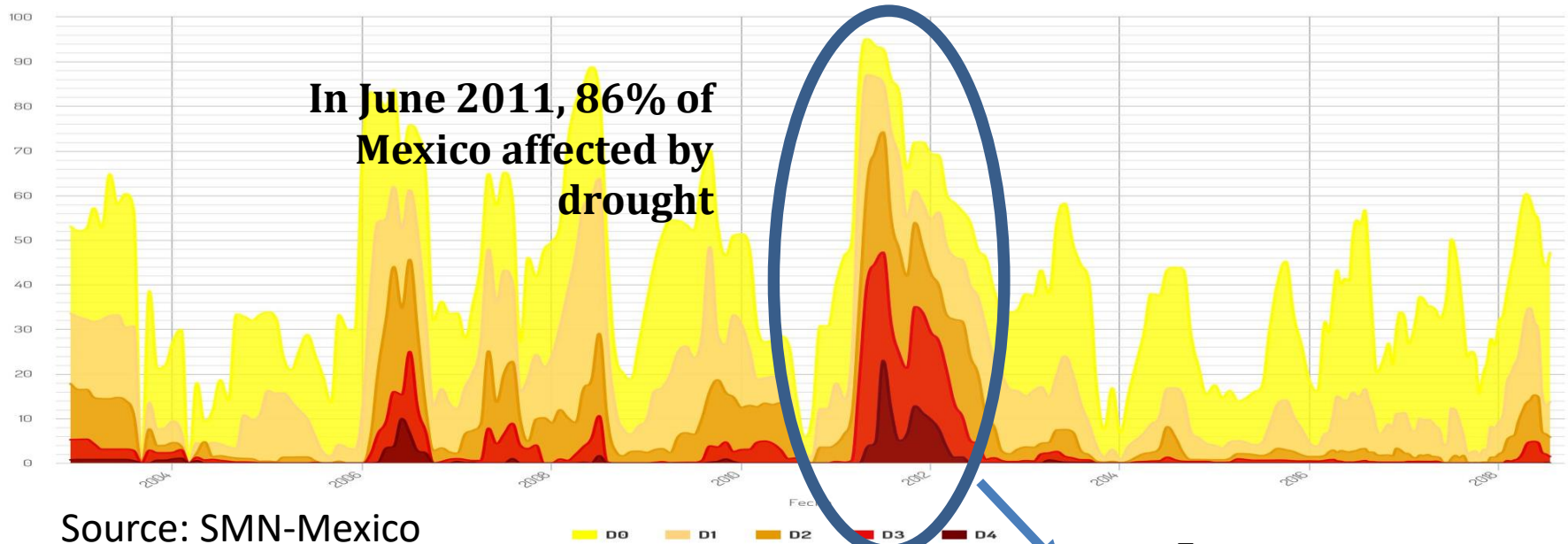
Drought along the Mexican history



- Drought has been a recurrent and **persistent natural phenomena**
- Theories support the disappearance and migration of the Mayan and Teotihuacan cultures due to drought.
- During the Colony (1521-1821) and Independence period (XIX and XX Centuries) several food crisis were the result of drought events.
- Drought was of the main causes of historical events like the 1810 Independence movement and the 1910 Mexican Revolution. 2 National Constitutions were issued at that time.

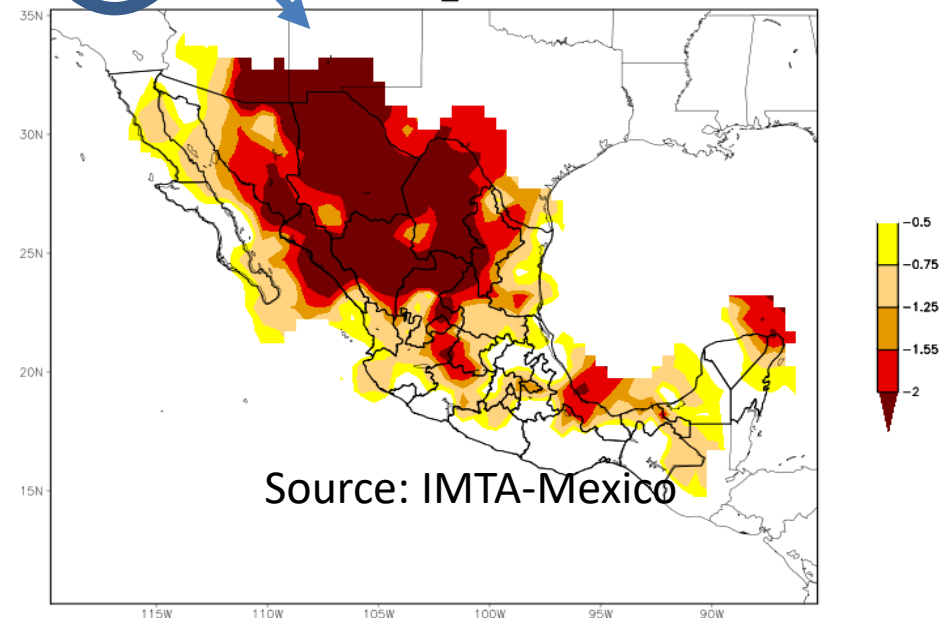
Mexico is vulnerable to drought impacts 2000 -2018

Percentage of area affected by droughts in Mexico until July of 2018



2011 ended up being the thirteenth driest year in Mexico's history since the last 70 years.

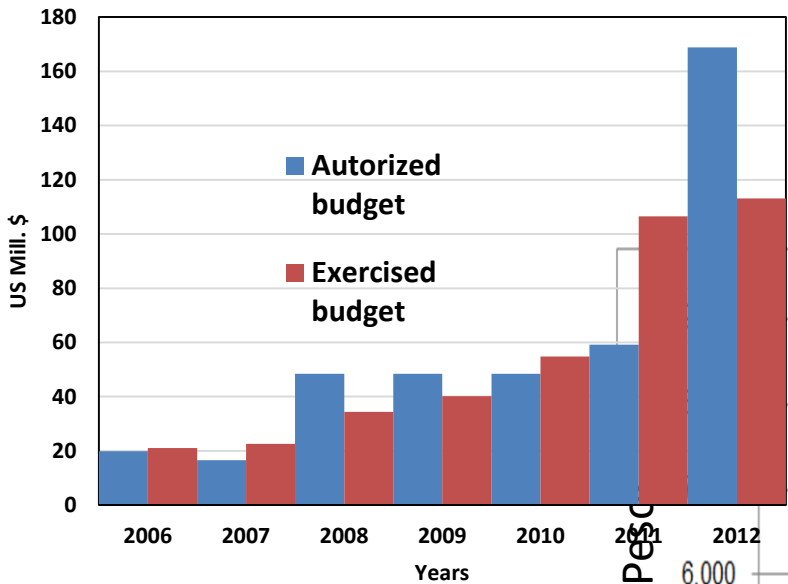
Six month SPI for June 2011



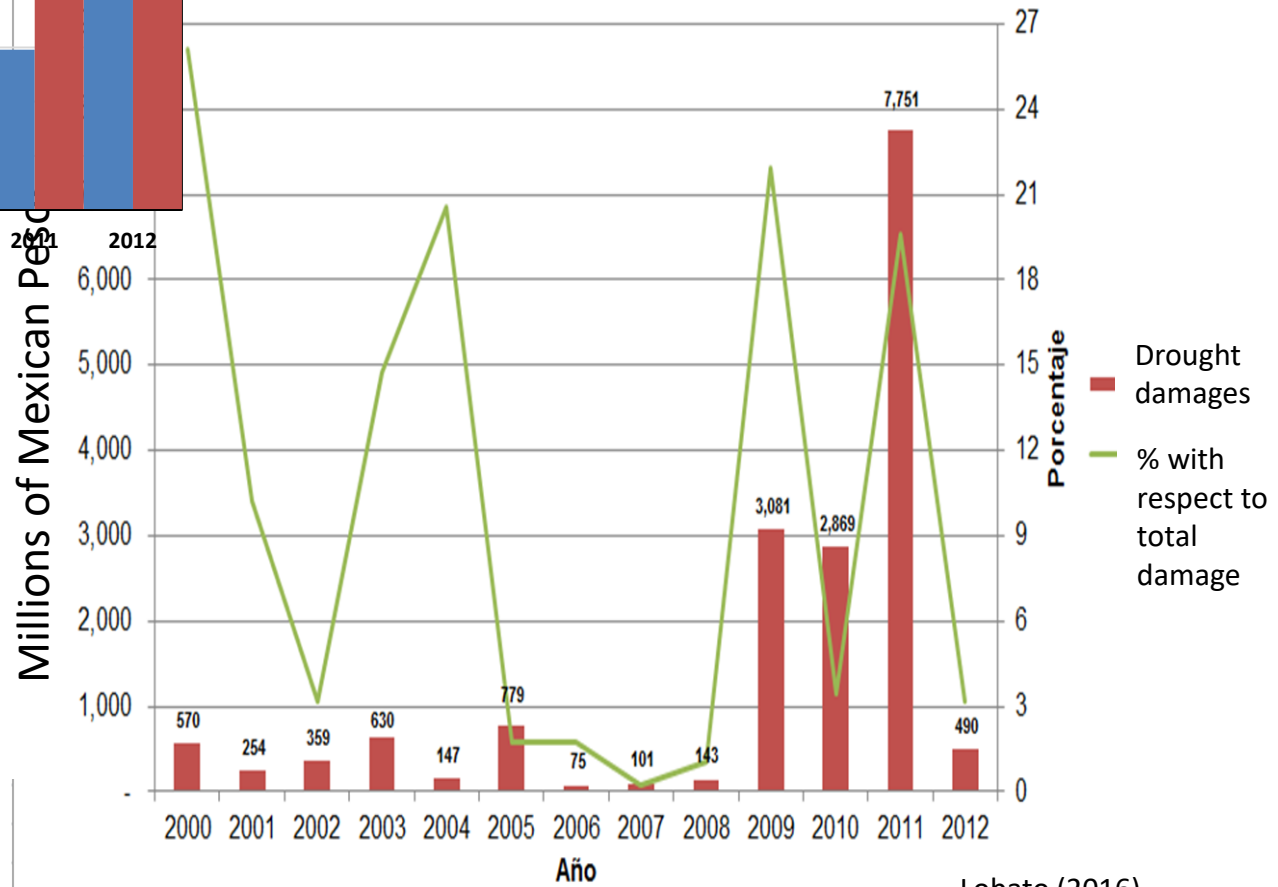
Budget allocated to the Natural Disasters Fund (FONDEN), the Fund for Prevention of Natural Disasters (FOPREDEN), and Attention to Natural Disasters Contingencies of the Agricultural and Fisheries Sector (CADENA).

Authorized and exercised budget (2006-2012)

In 2011, 90% for relief actions and 5% for insurance



Reported damage costs in agriculture related to drought impacts 2000 – 2012



The worst drought in seven decades generated economic losses in agricultural production that exceed US\$ 1.3 billion (USDA). Losses amounted to 10% GDP (INEGI)

Mexico changed the strategy from a reactive to proactive in the agricultural sector (include livestock and fisheries) in the National Development Plan 2013-2018:

- Reduce (and protect) the cost for the Federal Budget and transfer the risk to the insurance market / Reduce the risk to the agricultural sector
- The 2018 target: all the agriculture (irrigated and rainfed) insured

Allocate budget from the 105 Federal Programmes related to drought

- Priority to extreme poverty communities and counties, as well as rural and urban areas with priority attention (drought vulnerable)
- The drought risk maps are very similar to the Mexican poverty index map according to UN parameters

Future challenges (economic)...

1. Divulge the benefits of National Drought Programme (Pronacose) which today are not evident due to:
 - Floods continue to be the most politically attractive phenomena to attend (fund) with priority
 - The drought at a national scale has receded
 - Pronacose's actions slowed down /lack strong follow up
2. Establish an official national record of investment in drought
3. Transit from “drought programme” to specific legislation (legal, administrative and fiscal) to make PRONACOSE an effective public policy.

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Thank you

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