

Seventh meeting of the
Global network of basins working on climate change adaptation

“Adapting to climate change in transboundary basins: linkages to global processes and actions on-the-ground on climate, droughts and wetlands”

Fourth session: **Financing climate change adaptation in transboundary basins**

26th May 2023, 14:30 – 15:50 CET / 9:30-10:30 (Brasilia)

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Questions:

- How do you finance climate change adaptation in your basin? What do you consider to be ingredients of success for facilitating funding?

ACTO is the only regional international organization with a vision, mission and strategic cooperation agenda that has the membership and support of the eight countries that share the Amazon Region. With the leadership of the Ministers of Foreign Affairs, its fully established Permanent Secretariat in Brasilia and the National Commissions in each member country, ACTO facilitates effective regional cooperation processes based on agreed strategic priorities.

As you know, extreme hydroclimatic events, glacier melting and other climate change effects are critical in the Amazon. In this sense, I would like to highlight our Atlas of hydroclimatic vulnerability of the Amazon Region, published in 2021. This Atlas, together with the Strategic Action Program, provides ACTO with a planning tool and a valuable information to identify critical areas and advance targeted actions on climate adaptation and resilience. Nevertheless, at the scale of the Amazon basin, there is significant financial challenge to meet the basin’s needs for adaptation.

In this sense and in such a complex, multi-step and lengthy processes to access traditional donor sources, ACTO has advanced in generating alternatives, such as the establishment of partnerships and strategic alliances. In this way, we have partnered with several key institutions with relevant experience in the regional and global context for resilience issues, such as UNEP, IDB, UNESCO, the EU, CAF, GWP, GIZ, KfW, INBO among others.

In the context of these partnerships, the Organization has advanced regional initiatives which respond to the strategic priorities agreed by countries in improving climate resilience and adaptation, such as the implementation of the Strategic Action Program (SAP), the Water-Energy-Food Nexus model, and the establishment of the Amazon Regional Observatory with its water resources monitoring networks, among others.

Also, I would like to highlight South-South cooperation as the basis for strengthening collaboration, building trust, and pulling up resources from the region. It is also a mechanism to advance in reducing technical and institutional asymmetries between the basin countries. In this sense, ACTO has partnered with the Brazilian Cooperation Agency-ABC and ANA-Brazil in strengthening IWRM through capacity building, establishment of regional water monitoring networks and Situation Rooms for monitoring extreme events in the countries and at ACTO, among others. At the same time, ABC is supporting the updating and

implementation of the regional Amazon Cooperation Strategic Agenda, where the previously 'emerging' theme of climate change becomes a cross-cutting strategic issue.

Despite these important advances, there are still barriers to be overcome, and ACTO encourages cooperation to become intrinsic part of the Amazon and promotes South-South Cooperation to enhance the overall resilience of the Amazon and the adaptation to climate change as part of all activities carried out by the Organization.

2. What are the challenges and lessons learnt in facilitating funding for climate change adaptation in transboundary basins?

For basin-wide projects, achieving coordination at the highest political, diplomatic and technical level among all the riparian countries is a challenge. This is the value added that ACTO brings to the table, given that it has established relations of trust with the Member Countries, having the authority to convene, organize and coordinate cooperation initiatives among them and provide the forum for decisions and commitments on strategic issues such as water resources, climate change, biodiversity and forests.

Achieving harmonization of national objectives and priorities towards a regional perspective on climate change is another challenge. Commonly, governments focus institutional, sectoral and government policy efforts on national problems. The ACTO has become the political, diplomatic and technical space that allows us to generate a positive dialogue to achieve a regional vision and a confluence of national priorities at the basin level.

In this sense, the Strategic Action Program, which focuses on water resources management, includes a strong component on climate change. Our regional biodiversity and forest programs also have approaches related to climate change. And ACTO is currently working on a Climate Change module within the Amazon Observatory - ORA where we will see the NDCs of the countries as a regional block.

For mobilizing financing from traditional sources, there is a tendency to exponentially build on comprehensive baseline information. The Amazon, in all its extension, continues to surprise researchers to this day with the identification of new species of plants, reptiles, and fish, even new archaeological discoveries. At the same time, there are substantial differences among the Amazonian countries in terms of the number of studies and research publications on the basin, which results in many cases in significant information gaps when generating regional baselines.

Moreover, accessing international funding for regional initiatives is a complex multistep and multi-stakeholder process not always fully understood by the countries. In this sense building targeted national capacity for proposal development and consolidation is key. ACTO has partnered with IDB and GWP to strengthen national capacities in accessing funding from the GCF.

Furthermore, as large majority of funding sources are focusing mostly on national level projects, the availability of resources for regional multilateral cooperation in transboundary issues such as water and climate change adaptation is limited.

International fora, conventions and treaties play an important role in the management of transboundary waters, since they allow the generation of shared principles and commitments between States, among others. Although several spaces for a global agreement on water have been developed, the Amazonian countries have not yet signed and/or ratified their accession. However, based on the national constitutions

and regulations in the MC, which incorporate/comply with several of the "substantive and substantial principles" in a context of transboundary waters, ACTO promotes the implementation of these principles in the framework of its regional action for water resources.

And finally ... once again, the Amazon basin needs financing proportional to the dimensions of its extension and challenges.