

FINANCING ADAPTATION AT BASIN LEVEL: THE POTENTIAL OF INCUBATION TO BOOST PROJECT DEVELOPMENT



INTERNATIONAL NETWORK OF BASIN ORGANIZATIONS (INBO) WEBINAR
UNDER THE FRAMEWORK OF THE “WATER” DAY OF THE
UNITED NATIONS CLIMATE CHANGE CONFERENCES OF THE PARTIES (COP29)



Tuesday 19th of November, 3pm to 4:45pm (Central European Time / Paris Time)
Simultaneous interpretation: English - French - Spanish

160
Participants

10
Speakers

Organizations implementing projects to adapt water management to the impacts of climate change:

- The **National Water Commission of Mexico (CONAGUA)**, represented by Ms. Silvia Chávez Cereceda, International cooperation manager
- The **Lake Victoria Basin Commission (LVBC)**, represented by Ms. Coletha Ruhanya, Deputy Executive secretary
- The **Amazon Cooperation Treaty Organization (ACTO)**, represented by Ms. Edith Paredes, Administrative Director
- The **Organization for the Development of the Senegal River (OMVS)**, represented by Mr. Ababakar Mbaye, Director of the Environment and Sustainable Development
- The **National Water and Sanitation Agency (ANAS)** of Cape Verde, represented by Ms. Vera Garcia Chaves, Director

Financial Institutions developing tools to boost the development of adaptation projects and facilitate the access to their funding:

- The **World Bank (WB)**, represented by Mr. Anders Jagerskog, Program Manager “Cooperation for International Waters in Africa” (CIWA)
- The **French Development Agency (AFD)**, represented by Mr. Lionel Goujon, Head of Water and Sanitation
- The **Development Bank of Latin America and the Caribbean (CAF)**, represented by Mr. Franz Rojas, Chief of the Water and Sanitation Division
- The **Inter-American Development Bank (IaDB)**, represented by Mr. Andres Guillermo Blanco Blanco, Principal Specialist in Economics, Water and Sanitation

Organization charged to conclude and link with the next United Nations Climate Conference (COP 30, Belem, November 10-21, 2025).

- The **Ministry of the Environment and Climate Change** of Brazil, represented by Ms. Iara Bueno Giacomini, Water Resources Director

THE AMBITION OF INBO'S WEBINAR

This webinar took place under the framework of the “water” day at the **Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29)** in Baku.

The negative impacts of climate change mainly affect our societies through **water cycle disruptions**: increased intensity and frequency of floods and droughts, erratic precipitation, altered river flows, etc. Adaptation therefore requires better management of water resources. In this context, **basin organizations have an essential role** to play: planning uses, actions and investments; implementing appropriate shared governance between various stakeholders and users; Developing and exploiting high-performance hydrometeorological monitoring networks, hydroclimatic models and information systems.

This webinar provided an opportunity to discuss a number of **examples of climate change adaptation project development**, as well as the **tools and advices from financial institutions** to boost the incubation and financing of these projects. It is important to pursue the work of consultation, dialogue and awareness-raising between basin organizations -which is the INBO core activity- and the financial institutions in order to bring together the points of view of project holders and potential financiers.

THE PROBLEMS HIGHLIGHTED

Facing the social and climatic challenges of different demographic regions

The disruption of the water cycle alters the **planning strategies** already in place at different levels of a country. In Mexico, hurricanes are becoming increasingly intense: with Hurricane Otis, a volume of rain equivalent to 80% of average annual precipitation fell in 4 days. At the same time, 50% of the country is affected by drought. The increasing frequency and intensity of extreme climatic events means that **previous tools and strategies** are now largely obsolete. Their revision is required to ensure their relevancy to this new climate situation.

These disruptions, together with **population growth** and the spread of **unsustainable consumption and production patterns**, are affecting the food, energy and water security of our societies. Adapting to them requires the implementation of **appropriate governance frameworks** and the development of actions to control water demand and develop non-conventional water resources. Cape Verde has to make massive use of seawater desalination (80% of its water supply) to meet its needs, given the low availability of water resources (only 3 months of annual rainfall), which are also made uncertain by climate disruptions.

The **distribution and sharing of water resources** make it difficult to implement climate change adaptation projects. In the Americas, 71% of surface water is shared between 67 transboundary basins, representing 60% of the territory and 40% of the population.



“Only 11 of these 67 U.S. transboundary basins are covered by a cooperation agreement that enables joint management of water resources. The Inter-American Development Bank (IDB) has launched an initiative to support governance, planning, management, capacity building, financing and information systems in these transboundary basins”

Mr. Andres Guillermo Blanco Blanco, Principal Specialist in Economics, Water and Sanitation, Inter-American Development Bank.

Long and complex process to access financing

Access to financing for adaptation projects requires specific **knowledge** and **skills** that not all basin organizations possess. In addition, the procedures for accessing such funding were initially designed for States, which remain the primary target of financial institutions. While basin organizations may be eligible, the accreditation process (Green Climate Fund, Adaptation Fund) is **time-consuming** and **energy-consuming**, and accreditation once obtained is only valid for a limited period (5 years). But accreditation offers the advantage of direct access to these funds. As the Lake Victoria Basin Commission is not accredited, this poses difficulties in accessing funding sources. The East African Community currently acts as an intermediary, but the Commission has initiated the accreditation procedure to gain direct access.

“Direct access to climate finance is of interest, but it's a long, complex and costly process”

Ms. Edith Paredes, Administrative Director, Amazon Cooperation Treaty Organization (ACTO)



1 *Combining different innovative financing schemes from different sources (private, public, payment for climate and environmental services, non-governmental funds, philanthropic funds, taxation, etc.)*

Mapping available sources of financing is an essential exercise. This webinar provided its contribution. But this exercise needs to be replicated locally. Numerous bi- and multilateral development banks have developed facilities to support the preparation and financing of adaptation projects in the water sector, which usefully complement international institutions specialized in climate finance (such as the Adaptation Fund, the Green Climate Fund, etc.).

CAF's Water Project Preparation Facility (PPSA) has already provided \$24 million in financing for 14 Latin American countries.

The French Development Agency (AFD), for its part, launched its "Adapt'Action" facility in 2017, which has already mobilized 60 million euros to support 89 projects (strengthening knowledge and vulnerability studies to the impacts of climate change, building stakeholders' capacities, developing investment strategy in favor of adaptation). Basin organizations are eligible for funding under this facility.

In Mexico, the public authorities have developed a "sustainable taxonomy", a tool that classifies economic and financial activities according to their environmental, climate and sustainable development benefits, in order to encourage and increase private and public investment in these activities.

An ever-increasing number of organizations get their **accreditations** to specialized funds each year, multiplying the opportunities for access (direct or indirect) to financing. The Lake Victoria Basin Commission thus regularly proposes projects and seeks funding from accredited organizations (such as the United Nations Environment Programme - UNEP, or the African Development Bank - AfDB).

Some basin organizations (national or transboundary) are also able **to mobilize their own financial resources**, either through taxes (such as those levied by the French Water Agencies) or through the generation of income for services provided to users: for example, the Organization for the Development of the Senegal River (OMVS) charges for the water abstraction permitted by the Diama dam, as well as for the supply of hydroelectricity produced by the Manantali dam.

2 *Gain a better understanding of the region's vulnerabilities in order to develop actions and adopt the most relevant and effective adaptation technologies*

It is important for basin organizations to establish a **sustainable, long-term strategy, based on technical knowledge** (in-situ monitoring, remote sensing, satellite, hydro-climatic modeling, vulnerability studies), **which financial institutions can draw on to invest** in viable projects.

The OMVS has highlighted the DYNObA project, financially supported by AFD to protect the headwaters of the Fouta-Djalou basin, West Africa's water tower, whose protection is essential for climate change adaptation. Experts are carrying out a diagnostic mission to preserve wetlands, biodiversity and soils. The aim is to develop the knowledge of the basins on different tools and to launch pilot projects supported by technical experts.

Like the World Bank, the IADB or the facilities of the French Development Agency and CAF, **financial institutions are increasingly complementing their financial support with technical assistance** (e.g. IADB actions to reduce the impact of climate change on water quality, with a program to connect 48,000 households to sanitation in the Uruguay river basin; CAF's project of restoration of the Lempa river basin, spanning over 20-year, with a budget of \$350 million).

Vulnerability studies are not limited to water analysis, and must also cover **socio-economic vulnerabilities**. Adaptation plans, for their part, must aim to maintain and develop people's livelihoods. In Cape Verde, the Amazon and elsewhere, the poorest communities are often also the most vulnerable to the impacts of climate change.

"The Water Project Preparation Facility (PPSA) is an excellent tool for accelerating project development, as it provides support to project holders for feasibility studies and design."



Mr. Franz Rojas, Head of the Water and Sanitation Division, Development Bank of Latin America and the Caribbean (CAF)

3 *Improve the capacity and mobilization of national institutions on climate change issues at local, basin, federal and state levels.*

State support for basin organizations is needed to improve their knowledge of potential (national and international) funding, and also to reduce **regulatory constraints** on international support for climate change adaptation projects.

4 *Exchanges and communications between different international, national and regional organizations.*

The **exchange of practical experiences** on the incubation of basin-scale adaptation projects and their benefits, the sharing of information on available funding and the strengthening of capacities to access these funds are made possible by partnerships and networks, such as the International Network of Basin Organizations (INBO) and its regional networks.

CONCLUSION AND OUTLOOK

In the face of the climate emergency, **accelerating adaptation projects in national and transboundary basins is a strategic, effective, inclusive and collaborative response.**

Financial institutions play a key role in this process. They provide project holders with both **technical and financial support**, which must be long-term. They could usefully give greater priority to adaptation projects led by basin organizations: basin-wide adaptation brings greater benefits than that carried out within narrow intra- and inter-state administrative boundaries.

INBO, its members and partners will pursue efforts to accelerate the development of adaptation projects, and the results of these efforts will be presented at the **next United Nations Climate Conference (COP30) in Belém, Brazil, from November 10 to 21, 2025.**

"Solutions come from the inside. There is an urgent need to listen to countries and the river basin stakeholders, and to understand their laws in order to work with them."



Ms. Lara Bueno Giacomini, Director of Water Resources, Brazilian Ministry of Environment and Climate Change.



Mr. Ababakar Mbaye
Director Environment & Sustainable Development- OMVS



Ms. Edith Paredes
Administrative Director - OTCA



Mr. Andres Guillermo Blanco
Principal Economics Specialist, Water & Sanitation - IaDB



Ms. Coletha Ruhmya
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Mr. Lionel Goujon
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Ms. Vera Garcia Chaves
Director - SWA

Find out more about this webinar and INBO's activities at COP29 here:

- [Information on INBO's activities at COP29](#)
- [Webpage of the webinar with the panelist's presentations](#)